

**PERSPECTIVES ON TRUST IN BUSINESS ALLIANCES IN THE BLACK ECONOMIC
EMPOWERMENT CONTEXT: A Q METHODOLOGICAL APPROACH**

by

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DECLARATION

I, KP Moalusi, student number 07845359, hereby declare that this thesis entitled, **“Perspectives on trust in business alliances in the black economic empowerment context: A Q methodological approach”** is my own work and that all the sources that I have used have been indicated and acknowledged by means of a list of references. I declare that the thesis has not previously been submitted, either in part or as a whole, for any other degree or examination at this or any other university.

I also declare that the ethical clearance required to conduct the research was obtained from the Department of Industrial and Organisational Psychology, University of South Africa. I took great care in ensuring that I adhered to the ethical obligations and principles of research ethics as prescribed by the UNISA Code of Ethics and Conduct during all phases of the research process.

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This thesis is dedicated to the memory of my parents, Mafagane and Tsiane Moalusi. It always feels as if you left us too soon. You are sorely missed.

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ABSTRACT / SUMMARY

PERSPECTIVES ON TRUST IN BUSINESS ALLIANCES IN THE BLACK ECONOMIC EMPOWERMENT CONTEXT: A Q METHODOLOGICAL APPROACH

by

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DEPARTMENT : Industrial and Organisational Psychology

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This study endeavoured to uncover the trust experiences of individuals involved in business alliances between traditional companies (TCs) and historically disadvantaged institutions (HDIs) with a view to constructing a model that would facilitate a better understanding of organisational trust within these institutions. The theoretical study proposed a theoretical model of trust in the alliances between TCs and HDIs within an economic empowerment domain. The empirical study employed Q methodology to investigate the trust experiences of the participants. The 25 individuals who participated in the study were selected by means of both non-probability purposive and snowball sampling. The participants were presented with the Q sample containing 50 items which they had to sort in accordance with the instruction given. The post-Q sorting interview was conducted to give the participants a chance to expound on their reasoning for the sorting of the Q sample.

Data were analysed using Pearson product-moment correlation and factor analysis. Six factors revealed participants' experiences of trust in the alliances: Factor A (Sincerity trust alliances), Factor B (Values trust alliances), Factor C (Duped trust alliances), Factor D (Vigilant trust alliances), Factor E (Deceitful trust alliances) and Factor F (Inclination to trust alliances).

The trust experiences of the six groups were used to theorise about the association between the participants' trust experiences and their performance on the Positive and Negative Affect Schedule (PANAS). In the main, the study found that groups that had pleasant trust experiences with their partner organisations exhibited high positive affect (PA) and low negative affect (NA).

Although exploratory in nature, the study contributed an empirically derived theoretical framework of cognitive and affective trust within business alliances that may be further investigated in future research endeavours. In this was it identified and proposed a modus operandi for closing the trust gap.

Key terms:

Trust, business alliances; Black economic empowerment; Qualitative research; Q methodology; Affect; Affective trust; Cognitive trust; Harmonised model.

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CHAPTER 1: SCIENTIFIC OVERVIEW OF THE RESEARCH

The study focused on uncovering the experiences of participants in business alliances between traditional companies (TCs) and historically disadvantaged institutions (HDIs) on the phenomenon of trust and with a view to developing a model that would facilitate a better understanding of trust in these institutions. The background to the research illuminated the context of the study. The statement of the research problem described the central question that lay at the core of the research study. The general aim of the study was stated. This was followed by a statement of the aims of the literature review and also the empirical aims of the study. The theoretical, empirical and practical significance of the study was then discussed. The concept of paradigm and the paradigmatic location of the study were then explained. Finally, the research design used for the purposes of the study was illuminated. In view of the fact that several researchers are often unfamiliar with the Q methodological design of the study a detailed explanation is sometimes provided.

1.1 BACKGROUND TO AND MOTIVATION FOR THE RESEARCH

Prior to 1994 South Africa was characterised by racial separation with the various race groups being classified into different strata with whites at the apex (Davies, 2012). The majority of the country's people were confined to the fringes of the national economy (Hart & Padayachee, 2013; Ihederu, 2004). The context of this study is the economic empowerment of the previously disadvantaged segments of South African society and is aimed at circumventing the existing economic inequities. In this context business alliances with TCs are viewed as a vehicle for the economic empowerment of the HDIs (Ahwireng-Obeng & Ogunjobi, 2001; Emuze & Adlam, 2013). Trust has become a significant component of organisational life and also a crucial issue in the wider discourse on organisational psychology (Das & Kumar, 2011; Dowell, Heffernan, & Morrison, 2013; Tähtinen & Blois, 2011). The focus of the study is to uncover the trust experiences of individuals involved in alliances between TCs and HDIs with a view to constructing a model that would facilitate a better understanding of organisational trust within these institutions.

The aim of the discussion on the notions of black economic empowerment and business alliances between TCs and HDIs is to illuminate the context of the study. Accordingly, these contextual issues are elucidated first. The concept of black economic empowerment is explained as it highlights the specific and unique South African setting within which the study was conducted. This explanation of the phenomenon of black economic empowerment was deemed to be important as alliances between TCs and HDIs are intended to serve as an

economic empowerment conduit for the latter (Ahwireng-Obeng & Ogunjobi, 2001). The similarities and divergences between the trajectories of Afrikaner and Malaysian economic empowerment were discussed and the contemporary South African economic empowerment applications critically analysed. The challenges that continue to confront black economic empowerment persist (Hart & Padayachee, 2013). These issues are elaborated upon in chapter 2.

In order to remain competitive business organisations strive to, among other things, design products and render services of a superior quality and, thus, increase their market share (Mohr, Garnsey, & Theyel, 2013; Reuer & Tong, 2010; Yang, Lin, & Peng, 2011). However, such competitive traits may sometimes be beyond the capabilities and repertoire of skills of many organisations. Consequently, as individual entities, organisations may be unable to continuously re-invent themselves and to recognise concealed growth opportunities such as access to markets (Reuer & Tong, 2010).

The review of relevant literature revealed that organisations that operate in highly competitive business environments or in what is generally referred to as hyper-turbulent environments employ a plethora of methods in order to continuously reinvent themselves (Das & Kumar, 2011; Elmuthi & Kathawala, 2001; Goss, Pascale, & Athos, 1993; Meyer, Goes & Brooks, 1993; Yang et al., 2011). An increased organisational change in the direction of increasing complexity was first noted by, among others, Emery and Trist (1965). The current business landscape is characterised by extreme uncertainties and volatility. These uncertainties and the environmental volatility may be the result of a specific industry's fast-paced technological changes and the intensity of competition which may be exacerbated by new competitors entering the market (Xie, Peng, & Zhao, 2012).

When competitiveness appears to be tenuous and out of reach because organisations do not possess the necessary resources and required competencies, they often form partnerships or business alliances with the very companies that have upset the competitive balance (Choi, Garcia, & Friedrich, 2010; Dahl, 2014; Hamel & Prahalad, 1989). There are numerous reasons why business organisations enter into alliances but they all revolve around the quest for competitiveness (Li, 2013). Broadly speaking, business alliances provide organisations with benefits that are both tangible, for example, capital and intangible, for example, knowledge of the markets, experience and skills (Aadne, Von Krogh, & Roos, 1995; Gomes, Barnes, & Mahmood, 2014; Omar & Mohan, 2010; Reuer & Tong, 2010). The reasons why organisations form alliances are elaborated upon in chapter 3.

Forming external relationships plays an extremely important role in business strategy, particularly for small business development (Street & Cameron, 2007; Vandaie & Zaheer, 2014). Business alliances may be described as a mode of organising which may encompass cooperation or collaboration between two or more organisations with the aim of achieving their mutual goals (Li, 2013). Alliances are sometimes viewed as ephemeral because they are formed to achieve specific strategic intents and are, therefore, not necessarily a permanent mode of organising (Feller, Parhankangas, Smeds, & Jaatinen, 2013; Sambasivan, Siew-Phaik, Mohamed, & Leong, 201). Alliances are varied in terms of organisation and they include licensing agreements, joint ventures, distribution and supply agreements, research and development partnerships and technical exchanges (Choi et al., 2010; Inkpen & Currall, 2004). These cooperative relationships have become a common form of organisation, necessitated by both global competition and the concomitant need for organisations to remain competitive (Omar & Mohan, 2010; Wu, 2013). Business alliances may also be formed to comply with government requirements that make it imperative for local business organisations or businesses owned by the previously disadvantaged to participate in inter-organisational business ventures (Emuze & Adlam, 2013; Ramli, Kamarunzaman, & Ramli, 2013).

Germane to the South African context is the government's black economic empowerment policy that strives to encourage the economic empowerment of the previously disadvantaged people through, inter alia, the formation of business alliances between black and white organisations (Ahwireng-Obeng & Ogunjobi, 2001; Broad Based Black Economic Empowerment Act 53 of 2003; Thomas, 2014). TCs that form such alliances may, in return, earn points that enable them to participate in procurements that involve state institutions (Ahwireng-Obeng & Ogunjobi, 2001; Emuze & Adlam, 2013; Osborn & Hagedoorn, 1997; Thomas, 2014). One may, therefore, surmise that such alliances may be dictated by the business needs of an organisation although the ultimate decision to form an alliance with an HDI may be elicited by the government's suasion and legislation as incentives to TCs that participate in such business endeavours.

The implications of the preceding discussion for alliances between TCs and HDIs may be considered in the light of the historical socio-economic and political arrangements in South Africa. There have been reports on some TCs using a number of HDIs as a façade for black economic empowerment in post-apartheid South Africa (Thomas, 2014; Van Scheers, 2010). In view of the historical socio-economic and political relations between blacks and whites as well as the reports incriminating some TCs for fronting or using HDIs as tokens (Emuze & Adlam, 2013; Van Scheers, 2010), one may hypothesise that the trust challenges facing TCs

and HDIs in South Africa are monumental. However, this and related suppositions may be reconciled only through systematic, empirical investigations that uncover the experiences of those involved in alliances between formerly white and black business organisations. While the focus of this study is to investigate the experiences of individuals who participate in business alliances between TCs and HDIs with a view to constructing a model that may facilitate a better understanding of organisational trust in the South African economic empowerment domain, it is essential that the contextual issues such as black economic empowerment and business alliances are first clarified.

The challenges that business organisations faced towards the end of the previous century heralded collaboration and co-operation across organisational boundaries even between erstwhile competitors (Grant & Baden-Fuller, 2004; Park et al., 2014; Yang et al., 2011). The global business environment induces organisations to form relationships with other organisations when the competitiveness of the former appears to be tenuous. These organisations sometimes form these relationships with the companies that upset the competitive balance in the first place (Dahl, 2014; Hamel & Prahalad, 1989; Park, Srivastava, & Gnyawali, 2014). Complex relationships that cross organisational boundaries as well as national borders and cultures have become a dominant feature of business for many organisations (Gomes, Barnes, Mahmood, 2014; Kobernyuk, Stiles, & Ellson, 2014; Nielsen, 2011). Such relationships often involve productively combining and integrating complementary resources and skills as well as the sharing of assets, including invisible assets such as knowledge (Das & Kumar, 2011; Zhang & Chen, 2015). Business organisations are then able to access resources outside their purview as a result of inter-organisational relationships such as alliances. Nevertheless, it must be borne in mind that business partnerships are largely dictated by the emerging market conditions and are not a substitute for market competition (Pucik, 1988; Raza-Ullah, Bengtsson, & Kock, 2014; Wu, 2013).

There are numerous reasons why some organisations form alliances despite risks such as opportunistic behaviour on the part of those with which they partner. These include the following:

- Accessing new markets: An alliance partner may offer an organisation an opportunity to expand through access to new marketing and distribution channels (Akande, Adetoun, Tserere, Adewayi, & Akande, 2010)
- Lowering production costs especially in high risks, technology intensive projects that require huge capital investment (Chung & Beamish, 2011).

- Economies of scale are reduced through alliances such as when the cost per unit is reduced due to increased production (Zoogah, Vora, Richard, & Peng, 2011).
- Alliances provide the partnering organisations with the opportunity to learn (Nielsen & Gudergan, 2012).
- According to Elmuthi and Kathawala (2001), organisations form business alliances because they need to access the new technology that resides in the other partner. Without the partnership the technology would remain inaccessible to the organisation (Akbande et al., 2010; Lei & Slocum, 1991). Organisations are able to pool their resources so that they are jointly able to create new technology (Mohr et al., 2013).
- Alliances minimise financial risks, for example, when venturing into R&D initiatives in order to develop new product. The financial risks are thinly spread (Elmuthi & Kathawala, 2001; Zoogah et al., 2011).
- Smaller organisations are able to compete. Lumineau, Fréchet and Puthod (2011) lucidly illustrated how a business alliance may enable a small business organisation to pursue business interests that would otherwise have been far outside of its financial scope.
- Some alliances are formed as a result of government suasion and legislation.

Business alliances represent an attractive way of organising for organisations of various sizes and shape. They often become a formidable mode of organising and competing because of the complementary resources from the partner organisations (Mohr et al., 2013).

However, the formation of business alliances is no guarantee of competitiveness and the effectiveness and responsiveness of the alliance. The corporate landscape is littered with business alliance failures (Choi, et al., 2010; Chung & Beamish, 2012; Das & Teng, 2000; De Bond & Bouchikhi, 2004; Munyon, Perryman, Morgante, & Ferris, 2011). Properly connected and engaged representatives of the alliance partners are critical for effective alliance performance (Robson, Katsikeas, & Bello, 2008).

A complex “glue” is required to keep the two or more parties in the alliance together. It is generally believed that the concept of trust is central to keeping the parties together and that it is essential for the effective functioning of a business alliance (Aadne et al., 1995; Tähtinen & Blois, 2011; Hoffman & Schlosser, 2001; Lok, Rhodes, & Walters, 2011; Zhang, 2011). Thus, for any business transaction to take place it is essential that there is a degree of trust between the parties (Hardwick, Anderson, & Cruickshank, 2013; Sklavounos & Hajidimitrou, 2011). The issue of trust has been studied in a variety of business arrangements, including

mergers and acquisitions as well as marketing (e.g. Arnott, 2007; Brahma & Chakraborty, 2009). In business alliances, where the exchange between parties happens across organisations, the issue of trust becomes more complex as it becomes more difficult to monitor the exchange than may otherwise have been the case (Das & Kumar, 2011; Dowell et al., 2013; Sklavounos & Hajidimitrou, 2011).

Trust is explained as a psychological state characterised by positive belief about the behaviour of others (Harris & Wicks, 2010). Trust is also defined as the willingness of the trustor to be vulnerable to the trustee and based on the expectation that the trustee will perform a particular action which is important to the trustor, irrespective of the trustor's ability to monitor or control the trustee (Mayer, Davis, & Schoorman 1995). Trust may be explained as a multi-dimensional construct that may evolve with a relationship (Nielsen, 2011). Trust in business alliances is a complex construct that has been studied in relation to the stages of the alliances, for example, trust prior the formation of an alliance which focuses on conditions conducive for the formation of an alliance as well as trust during the alliance which focuses on alliance outcomes (Schilke & Cook, 2013; Sklavounos & Hajidimitrou, 2011).

Trust also becomes more complex in instances in which the organisations in a partnership are direct competitors and the alliance is characterised by rivalry (Park et al., 2014; Wu, 2013). Under such conditions the alliance is often characterised by tension which is encapsulated in the notion of coopetition (Bengtsson & Kock, 2014; Dahl, 2014; Henderson & Smith-King, 2015). In terms of coopetition, organisations in alliances collaborate with each other in some business activities but simultaneously compete in others (Bouncken & Fredrich, 2012; Dahl, 2014; Tidström, 2014). Therefore coopetition is a blend of the terms collaboration and competition and exemplifies the tension embedded in certain forms of alliances (Bengtsson & Kock, 2014; Fernandez, Le Roy, & Gnyawali, 2014; Tidström, 2014). It depicts a paradox in terms of which two organisations cooperate in some activities and simultaneously compete in others (Bengtsson & Kock, 2014; Bouncken & Fredrich, 2012; Dahl, 2014; Park et al., 2014; Raza-Ullah, Bengtsson, & Kock, 2014; Wu, 2013). In coopetition relationships trust is likely to become a challenge although still feasible as the cooperative interactions between competitors often gradually change (Dahl, 2014; Yami & Nemeh, 2014). The existing literature on coopetition abounds with suggestions on methods and approaches to managing tension and performance in such alliances (Bengtsson & Kock, 2014; Fernandez et al., 2014; Tidström, 2014). For example, some researchers refer to coopetition in alliances whose fundamental purpose is innovation performance (Park et al.,

2014; Yami & Nemeh, 2014). Balanced coopetition occurs when the competition between alliance partners is moderately high and cooperation is high (Park et al., 2014).

Trust may be viewed as a glue that holds alliance partners together while a lack of trust remains one of the significant challenges likely to impede the functioning of alliances (Crisp & Javenpaa, 2013; Dowell et al., 2013; Kocoglu et al., 2011; Kong, 2015; Sklavounos & Hajidimitriou, 2011; Ueltschy, 2013). As argued in chapter 3, trust has become a vital concept for explaining business behaviour and successful relationships in organisational settings (Bachmann & Inkpen, 2011; Dowell et al., 2013; Huang & Wilkinson, 2014).

Trust is a fundamental element of inter-organisational linkages (Dowell et al., 2013). A lack of trust inhibits the partners in an alliance from exchanging information or other assets in the interests of realising alliance goals. In view of the fact that parties to the alliance anticipate opportunistic behaviour on the part of the partnering organisation, they tend to limit their contribution to the partnership (Das & Kumar, 2011). It may, therefore, not be implausible to imagine that the inclination to limit contributions to a partnership might be both common and extensive in alliances which are characterised by coopetition.

Trust is considered to be a key factor in the creation of a milieu conducive for learning by business partners (Das & Kumar, 2011). Learning between the partnering organisations is, *inter alia*, dependent on each partner's involvement in the alliance's decision-making processes. A high degree of mutual involvement in the strategic decision making process of the alliance will impact on the learning outcome (Omar & Mohan, 2010; Saxton, 1997).

The above discussion highlighted the context in which organisational trust in alliances between TCs and HDIs has been investigated. In fact, organisational trust in both intra-organisational and inter-organisational relations has become a pivotal topic in the field of organisational psychology (Harris & Wicks, 2010).

Boersma, Buckley, and Ghauri (2003) defined trust in the context of an alliance as the expectation that a party to the alliance may be relied upon (promissory contract), will perform his/her side of the contract professionally and competently (competency-based contract) and that, even if there are no explicit promises to be fulfilled, the party to the alliance will behave honourably (goodwill-based contract). Trust is, thus, explained as the belief that trustee to the exchange relationship will take advantage of the vulnerabilities of the trustor (Sklavounos & Hajidimitrou, 2011). For the purposes of this study, the notion of trust excludes mutuality because, in an alliance relationship, there is a trustor and a trustee organisation. For

example, the focal organisation (trustor) may trust organisation B (trustee) although organisation B may not return the trust. The trustor organisation renders itself vulnerable by its willingness to take risks such as a willingness to share business information with the trustee organisation. In the event of the trustor organisation engaging in risk-taking behaviour, the trustee organisation may take advantage of the trustor and either act opportunistically or appropriate such information. It is for this reason that the study did not espouse the element of mutuality in trust (Mayer et al., 1995).

The foundation of all business alliances is the relationship between the people who conceive of, develop and maintain such alliances (Eisenhardt & Schoonhoven, 1996; Gerlach, Porst, & Steiner, 2007; Lawrence & ul-Haq, 1998; Sklavounos & Hajidimitrou, 2011). Individual partner representatives work through the organisational complexity inherent in alliances by co-ordinating and integrating the resources and skills required to achieve the alliance goals. Trust facilitates the social structuring and mobilisation that enables the partners in an alliance to overcome organisational complexity (Arranz & De Arroyabe, 2012; Eisenhardt & Schoonhoven, 1996; Gulati, Wohlgezogen, & Zhelyazkov, 2012). Social structuring refers to the links between an alliance network that facilitate the creation of conduits for the alliance work (Robson et al., 2008).

As already explained, trust plays a central role in the effective functioning of a business alliance and also the achievement of the alliance goals (Aadne et al., 1995; Dowell et al., 2013; Lok, Rhodes, & Walters, 2011; Vanneste, Puranam, & Kretschmer, 2014; Zhang, 2011). As such trust is perceived as a business imperative and as more than merely a social virtue (Shockley-Zabalak, Ellis, & Cesaria, 2000). A lack of trust is often seen as a root cause of the failure of many business partnerships (Das & Kumar, 2011; Gerlach et al., 2007). In those business alliances in which the exchange between parties happens across organisations, trust becomes even more complex as it may be difficult to monitor the exchange (Sklavounos & Hajidimitrou, 2011; Das & Kumar, 2011). Robson et al. (2008) embraced the argument that trust has desirable effect on alliances but they cautioned against an unquestioning positive view of trust which may be too simplistic. Chapter 3 elucidates the issues of organisational trust and culminates in the formulation of a theoretical model.

Trust comprises both cognitive and affective dimensions (McAllister, 1995). While existing literature on organisational trust generally acknowledges the fundamental role of cognition, emotions have received relatively scant attention (Mayer et al., 1995; Schoorman, Mayer, & Davis, 2005; Tähtinen & Blois, 2011). Andersen and Kumar (2006) have noted that the

formation of trust in business relationships is dominated by the cognitive perspective.

Asserting that affect has received scant and often superficial attention in the field of organisational trust, this study endeavoured to theorise about the association between affect and trust in alliances between TCs and HDIs. As a result, chapter 4 has two aims, namely, (1) to explain, based on relevant literature, the notion of emotions in both work and non-work contexts and (2) to posit a hypothesis regarding the association between trust and affect in TCs and HDIs. The study investigates organisational trust and affect by theorising about the interplay between the two constructs and their manifestation in alliances between HDIs and TCs.

It may be inferred from the preceding discussion that the existing literature on organisational trust has revealed significant progress in the study of the construct. As will become evident elsewhere in this study the call by Schoorman et al. (2007) to study organisational trust in different contexts has been receiving considerable attention while organisational trust in the South African context has also received some attention (Heyns & Rothman, 2015; Martins & Von der Ohe, 2011; Van der Berg & Martins, 2013). However, the dearth of organisational trust research on business alliances, specifically on alliances between TCs and HDIs in the South African context, persists. This study responded to the call made by Schoorman et al. (2007) by investigating the issue of trust in alliances between TCs and HDIs and exploring the association between trust and affect.

1.2 PROBLEM STATEMENT

The significance of trust in business alliances has been widely reported upon while the challenges that continue to impede the development or progress of the study of trust are explained in terms of various conceptualisations of the construct and its multi-dimensional nature (Nielson, 2011; Whipple et al., 2013). Hernandez and Dos Santos (2010) observed the widespread disagreement in terms of both the definition and the measurement of trust which has led to the development of a myriad of notions and measures of trust. Some of these disagreements have been explained in terms of the different contexts within which trust is studied (Caple, 2012). Kramer and Lewicki (2010) acknowledged differences in the conceptualisation of the construct but also identified the convergences which have emerged. According to Kramer and Lewicki (2010), these convergences revolve around the recognition that trust is fundamentally a psychological state which is characterised by positive expectations about the behaviour of others.

Mayer et al. (1995) defined trust as the trustor's willingness to be vulnerable to the behaviour of the trustee based on the expectation that the trustee will not abuse that vulnerability irrespective of the ability of the trustor to monitor or control the trustee. Trust includes both cognitive and affective dimensions (McAllister, 1995). This duality inherent in the concept is acknowledged in the broader organisational trust literature (Fan, Anantatmula, Nixon, & Kasprzak, 2012; Schoorman et al., 2007). Based on the thesis that affective trust is premised on close affective bonds and interpersonal relationships (McAllister, 1995; Webber, 2008), the notion that individuals involved in alliances may associate their participation in such alliances with certain emotions becomes plausible, although not definite.

Whilst the association between emotions and affective trust may be straightforward, it is possible that research may reveal a more complex interaction between emotions and trust. For example, shared goals between alliance partners are positively and significantly related to both cognitive and affective trust (Zur, Leckie, & Webster, 2012). Cognitive trust is linked with beliefs about ability, dependability and competence while affective trust is grounded on reciprocal feelings, care and concern (Das & Teng, 1998). Emotions and affective states have a major impact on trust which, in turn, has a fundamental influence on the behaviour of team members or partnering organisations (Andersen & Kumar, 2006; Tenzer, Pudelko, & Harzing, 2014). There has been some progress in research on the association between trust and emotions reported in the last two decades (Andersen & Kumar, 2006).

Research studies have reported the positive aspects of trust in business partnerships. Şengün and Wasti (2011) found competence or ability based trust to be positively related to cooperation, conflict resolution, and satisfaction with the inter-organisational relationship. Hernandez and Dos Santos (2010) have reported that trust in the exchange partner results in longer and more lasting relationships than may otherwise have been the case and that it reduces incidents of conflict. Organisations are more committed to each other when there is trust. In other words, when there is more trust, organisations are more likely to commit to each other (Harris & Wicks, 2010).

As previously stated, trust plays a significant role in overcoming the organisational complexity inherent in alliances. According to Robson et al. (2008), organisational complexity refers to the challenges that representatives of the alliance partners encounter in implementing a collaborative project as a result of the multiplicity of co-ordination problems, such as inconsistent organisational structures, different parental companies' control systems and dissimilar work procedures. However, trust eases these complexities by strengthening

relations between the partner representatives within the social network (Robson et al., 2008; Vanneste et al., 2014).

The existing literature asserts that the foundation of all business alliances is the relationship between the people who form, grow and maintain such alliances (Eisenhardt & Schoonhoven, 1996; Gerlach et al., 2007; Lawrence & ul-Haq, 1998; Sklavounos & Hajidimitriou, 2011). Trust in alliances is pivotal for the effective functioning of alliances (Fadol & Sandhu, 2013; Lok et al., 2011; Zhang, 2011). Research reveals that trust has become a vital concept in explaining partner business behaviour in alliances (Bachmann & Inkpen, 2011).

Groups with low trust are characterised by individuals withholding or distorting information about the business (Schilke & Cook, 2013; Zand, 1972). On the other hand, high trust groups exhibit less of the socially generated uncertainty and this facilitates working together (Bérard & Perez, 2014; Van Lange, Joireman, Parks & Van Dijk, 2013; Zand, 1972). Organisational trust in inter-organisational relations enables organisations to create leverages by pooling their resources, facilitating coordination and co-operation between people and enhancing alliance performance (Bachmann & Inkpen, 2011; Paliszkievicz & Koohang, 2013; Sousa-Lima, Michel, & Caetano, 2013; Stanley & McDowell, 2013).

The preceding discussion shows the positive properties and influences of trust. However, implicit in the definition of trust provided by Mayer et al. (1995) is the notion of willingness to render oneself vulnerable which implies that the trustor has something of importance to be lost - there is a risk. For example, willingness to share the focal organisation's secrets with the trustee renders the trustor vulnerable to the actions of the trustee and denotes intention on the part of the trustor to take risk in a relationship (Gill, Boies, Finegan, & McNally, 2005).

Thus, the notion of risk of opportunism is significant in business alliances (Das & Rahman, 2010; Lumineau et al., 2011). The essence of such opportunism is deception whereby a trustee may sometimes strive to maximise its individual interests at the expense of the trustor and subordinate the collaborative interests of the joint alliance by, for example, not exerting one's best effort and appropriating alliance resources (Kang & Jindal, 2014; Park & Ungson, 2001). Forming an alliance with an opportunistic partner means that time and resources may be spent monitoring and preventing the partner's deceptive behaviour. The partner's opportunistic behaviour may be fuelled by the contradictions inherent in the notion of coopetition explained elsewhere in this work (Bengtsson & Kock, 2014; Henderson &

Smith-King, 2015). Ultimately the trust between the partners will be damaged (Kang & Jindal, 2014).

It is obvious that, at a global level, much has been written about organisational trust in business alliances (Lok, Rhodes, & Walters, 2011; Zhang, 2011). The existing literature clearly reveals that the clarion call made by Schoorman et al. (2007) to study organisational trust under different contexts has been receiving attention while organisational trust in the South African context has also received some attention (Martins & Von der Ohe, 2011; Van der Berg & Martins, 2013). These latter studies have explored the role of trust in organisational settings and the trust relationships between for example, management and employees. The trust gap between employees and top management is striking in some cases and should be narrowed as lack of trust or distrust is antithetical to productivity and competitiveness (Martins & Von der Ohe, 2011; Van der Berg & Martins, 2013). However, contextual factors remain influential in determining the trust relationships. For example, Martins and Von der Oher (2011) noted the sustained trust levels which were attributed to the positive economic climate.

In the South African setting contextual factors may include cultural differences between TCs and HDIs, the broader socio-economic context such as the history of social relations between blacks and whites, government economic policies aimed at empowering the previously disadvantaged segments of society and the asymmetrical distribution of resources, including skills and economic resources, between various segments of society. In the South African context, it is not possible to understate the complexity of trust in business alliances between HDIs and TCs given the country's history of social and race relations. Owing to the pivotal role of trust in business alliance performance, it is significant that the alliance gap be narrowed. However, the paucity of organisational trust research on alliances between TCs and HDIs in the South African context persists as there has not been published research on trust in these alliances.

The chronicled marginal performance of black economic empowerment initiatives, flagrant cronyism and fronting all have the potential to impact on the trustworthiness of partnerships between black and white businesses and, at the very least, may pose formidable challenges to these alliances (Hart & Padayachee, 2013; Ponte, Roberts, & Van Sittert, 2007; Tangri & Southall, 2008). Trust is a crucial factor in sound inter-organisational relationships and it has a profound impact on alliance performance and goals (Caple, 2012; Şengün & Wasti, 2011).

Therefore this study represented a response to the call by Schoorman et al. (2007) to study trust under different contexts. The study aspired to illuminate the trust relationships between TCs and HDIs so that the understanding of the complexity of the relationships may serve as a launching pad for closing the trust gap. This study took place approximately 20 years after the inception of South Africa's first democratic dispensation. The democratically elected government has espoused policies that sought to redress past inequities so that the newly found political freedom and choice could be exercised contemporaneously with social and economic freedoms and choices.

Thus, the South African black economic empowerment context reflected the espousal of a policy aimed primarily at reversing the economic monopoly which had been enjoyed by a small section of the society and, thereby, de-racializing the economy so that the previously marginalised people and not just a minute section of the elite could participate in a more inclusive economy (Patel & Graham, 2012). It was, thus, anticipated that the study would play a significant role in revealing aspects of the phenomenon of organisational trust that may not have existed in other contexts.

To this end, the participants' experiences of trust in alliances between TCs and HDIs formed the nucleus of the study. It was anticipated that the formation of business alliances between individuals who own HDIs and those who own TCs and their subsequent interaction would result in the focal organisations forming perceptions about the trustworthiness of their partner organisations. It is highly likely that such perceptions of trust were based primarily on the focal organisations' cognitive and affective experiences with their partner organisations.

It is for this reason that this study sought to uncover the trust experiences that had characterised the trustors during the preceding six to twelve months of the alliances in question. The notion of affectivity is used broadly to assess the positive or negative moods which had been experienced during the preceding six to twelve months of the alliance relationships. It was assumed that the data pertaining to the affect of the participants would be significant when considered in the light of the trust experiences which the study had uncovered. It was theorised that the participants who reported positive partner trust experiences would also report positive affective experiences with the alliances. It was, thus, anticipated that the study would reveal the participants' experiences of trust in the alliances between the TCs and HDIs and the concomitant affective reactions.

The issue of trust in organisations, including in the new organisational forms such as business alliances and virtual organisations, falls within the ambit of Industrial and Organisational Psychology (I-O Psychology) and, specifically, the sub-field of Organisational Psychology. Organisational Psychology aims to study human behaviour in organisations so as both to understand it and to manage it effectively (Hyde, Harris, & Boaden, 2013). The focus of Organisational Behaviour is on the human aspect of the organisation at the individual, group and organisational levels (Seo, Taylor, Hill, Zhang, Tesluk, & Lorinkova, 2012). In the context of this study, the construct of trust relates to the psychological domain of the business alliance relationship and, thus, the research into the domain of trust required the scientific orientation, knowledge and methodology of I-O Psychology in order to address the research problem.

In view of the preceding trust issues raised in the existing literature, including historical socio-economic and political relations between blacks and whites as well as the reports incriminating some TCs for fronting or using HDIs as tokens, the primary purpose of the study was to uncover the experiences of individuals involved in business alliances between TCs and HDIs as regards the phenomenon of trust with a view to developing a model that would facilitate a better understanding of trust in these alliances.

The following research questions were formulated in order to address the research problem:

- How does the existing literature conceptualise the construct and elements of trust and how do these elements relate to business alliances in the South African economic empowerment context?
- What are the implications of such conceptualisation for the practice of I-O Psychology?
- How does the existing literature perceive or comprehend the association between trust and affect? Specifically, how does the existing literature perceive the interplay between trust and affect in both work and non-work settings?
- What were the participants' experiences of trust in alliances between TCs and HDIs?
- What affective experiences do the participants associate with their experiences of trust in alliances between TCs and HDIs?
- How do the empirically manifested elements of trust compare with the theoretical elements?
- How may the theoretical and empirically manifested elements of trust be integrated into a model for explaining trust in business alliances between TCs and HDIs?

- What conclusions and recommendations for I-O psychology practice and future research may be derived from the research findings?

1.3 AIMS OF THE RESEARCH

Based on the above research problem statement and, specifically, the research questions, the aims of the study were formulated as follows:

1.3.1 The general research aim of the study

The general research aim of the study was to uncover the experiences of individuals involved in business alliances between TCs and HDIs as regards the phenomenon of trust with a view to developing a model that would facilitate a better understanding of trust in these institutions.

1.3.2 Specific aims of the study

The specific aims of the study were delineated into theoretical and empirical aims.

The theoretical research aims of the study included the following:

Research aim 1: To conceptualise the construct and elements of trust and also how the elements of trust relate to business alliances in the South African economic empowerment context.

Research aim 2: To elucidate the interplay between organisational trust and affect.

Research aim 3: To conceptualise the implications of the proposed theoretical model of organisational trust for I-O psychology practice.

The specific empirical aims of the study include the following:

Research aim 1: To assess the trust experiences of individuals who had participated in alliances between TCs and HDIs.

Research aim 2: To explore the feelings or emotions that the participants associated with their experiences of trust in the TC and HDI alliances in which they had participated.

Research aim 3: To integrate the theoretical and empirically manifested elements of trust into a model for understanding trust in the context of business alliances between TCs and HDIs.

Research aim 4: To formulate conclusions and recommendations for I-O psychology practice and future research.

1.4 STATEMENT OF SIGNIFICANCE

The construct of organisational trust has been widely researched (Hardwick et al., 2013; McAllister, 1995; Schoorman et al., 2007). Several researchers have highlighted the significance of organisational trust and called for the study of such trust in different cultures and contexts (Schoorman et al., 2007; Tenzer, Pudelko, & Harzing, 2014). The challenges to developing a model for understanding trust in business alliances in an empowerment domain appear to be both varied and complex while it is essential that a host of factors are taken into account to ensure contextual relevance. The role of trust and its elements in business alliances have been well researched (Dowell et al., 2013; Schilke & Cook, 2013). However, there is a paucity of research that has investigated the issue of trust in alliances between TCs and HDIs in South Africa's economic empowerment domain. This research is, thus, ground-breaking and may potentially lead to the formulation of new hypotheses or theories on the manifestation of trust in business alliance between TCs and HDIs. In addition, the findings of the study may enrich the theory of Organisational Psychology by adding a new perspective on trust in business alliances.

1.4.1 The theoretical significance

At the theoretical level the study may prove useful in identifying the elements of trust and other relevant factors which are essential for the development of a model for understanding trust in business alliances in an economic empowerment context. As such the findings may contribute to new theory that sheds light on the intricacies of trust in the South African and similar economic empowerment domains.

1.4.2 The empirical significance

On an empirical level it was anticipated that this study may make a contribution by uncovering the experiences of individuals involved in business alliances between TCs and HDIs as regards the phenomenon of trust and, thereby, assist in the development of a model

that would facilitate a better understanding of trust in these institutions. The empirically manifested elements were compared with the theoretical elements in order to construct an integrated model that facilitated the understanding of trust in business alliances between TCs and HDIs. Thus, this study contributed to organisational trust research by providing a model specific to the South African economic empowerment domain.

As per the tenets of both qualitative and constructivist inquiry the objective of the study was not to apply or validate either the model or the study results to the broader population but, instead, to develop a working hypothesis. Once the experiences have been uncovered and other relevant variables identified, other researchers may, in future, develop appropriate research designs to investigate the prevalence or generalisability of the findings to larger populations (Amin, 2000).

1.4.3 The practical significance

On the practical level this study findings may present to I-O psychologists, business managers and other interested parties a formalised approach to the study of organisational trust in an economic empowerment domain. This may lead to a better understanding of the elements and other variables of organisational trust as well as how their interaction impacted on trust in business alliances between TCs and HDIs. The development of a model of trust has the potential to inform managers involved in business alliances as to the reasons why TCs and HDIs choose to trust their partner organisations. This may enable managers to foster trust and manage alliances between TCs and HDIs in a more informed way than would otherwise have been the case. Finally, the study has the potential to enrich and broaden the understanding of stakeholders about the alliances between TCs and HDIs and, by that very fact, shed light on human (perhaps black and white) interactions beyond the economic transaction.

The study was also significant in that it may be regarded as ground-breaking. There has been no study undertaken to develop a model of trust in alliances between TCs and HDIs nor has a study been undertaken on how the participants experienced the issue of trust in such alliances.

1.5 PARADIGM PERSPECTIVE

For the purposes of this study the concept of a paradigm was used in its meta-theoretical sense. Meta-theories are concerned with how phenomena should be conceptualised. In a

way meta-theories could be regarded as theories about theories as they guide researchers in constructing theories. Paradigms are regarded as instrumental in shaping both the social scientists' view of reality and also the mode of investigating such reality (Alvesson & Deetz, 1996; Burrell, 1999; Burrell & Morgan, 1979; Davis & Michelle, 2011; Johnson & Cassell, 2001; Wagner & Berger, 1985; Welch, Plakoyiannaki, Piekkari, & Paavilainen-Mäntymäki, 2013; Wong, Musa & Wong, 2011; Wright, 2013).

Paradigms give rise to the criteria that social scientists use in order to select and define research problems and actually mould both the theoretical and methodological approaches adopted (Husén, 1988; Monti & Tingen, 1999; Wong et al., 2011). In fact, paradigms enable possible and authentic judgements about whether a particular study was well executed or not. According to Grant and Giddings (2002), although value judgements may be made about the question of whether a study was well accomplished or not, it is not possible to answer this question in the abstract. In order to answer the question accurately it is necessary to understand the paradigm within which the study was located. The following section briefly explains the paradigms relevant to this study.

1.5.1 The intellectual climate

The study adopted a constructivist and qualitative approach referred to as Q methodology (Stenner, 2009). This is a methodology that uses quantitative techniques such as correlations and factor analysis in order to study human subjectivity on relatively small samples which are relevant to qualitative research approaches (Goldman, 1999). Subjectivity refers to a person's communication of his/her viewpoint (Coogan & Herrington, 2011). The development of a model of trust in business alliances between TCs and HDIs was central to this study while the paradigm relevant to the study was the constructivist approach. It would appear that the contingency approach predominates in the literature on trust in business alliances. However, for the purposes of this study the constructivist approach underlay the empirical facet of the study because Q methodology is rooted in the constructivist approach.

1.5.1.1 Literature review

It emerged that, in the main, the contingency approach is prominent in I-O Psychology. A review of the literature on trust in business alliances revealed the proliferation and preponderance of the contingency approach, particularly as regards the discipline and practice of organisational psychology and open systems thinking. The contingency

approach provides a theoretical framework to studies on organisations from a managerialist perspective (Burrell & Morgan, 1979; Chen & Weng, 2015; Maier & Meyer, 2011). The contingency perspective derives from the open systems approach (Katz & Kahn, 1978) which places at its centre the metaphor of biological organisms (Morgan, 1980). The contingency approach asserts, *inter alia*, that the survival and effectiveness of an organisation reflects the extent to which the organisation is coping with the demands of its environment. This coping is contingent upon the appropriate differentiation of the various subsystems, congruency between the system elements and the appropriateness of the integration which reflects the extent to which the various components of the system fit together (Katz & Kahn, 1978).

1.5.1.2 *Empirical study*

This study explored organisational trust from the perspective of the individual participants who were involved in business alliances between TCs and HDIs. The study used Q methodology. Q methodology is a constructivist and qualitative approach to the study of human subjectivity. The adoption of a constructivist approach implies the embracing of the notion that reality has multiple meanings (Matinga, Pinedo-Pascua, Vervaeke, Monforti-Ferrario, & Szabó, 2014). By individually sorting the 50 cards containing the statements about organisational trust in business alliances between TCs and HDIs, the participants revealed how they had, both individually and subjectively, experienced their partner organisations. The cards which had been sorted were then subjected to a quantitative data analysis process although the views or the factors that emerged (from the Q sorting and data analysis) were regarded as both subjective and operant (McKeown & Thomas, 1988).

This approach situated the study within both the interpretive paradigm and the constructivist tradition as the study sought to understand the experiences in alliances on the part of those who had been involved in them. Thematically, the study operated on the premise that the issue of trust in alliances between TCs and HDIs, in common with all other social phenomena, could be understood only from the subjective point of view of the research participants or social actors. Thus, the study endeavoured to understand and explain the social world from the viewpoint of the actors participating in the social process and not from the viewpoint of the observer or researcher (Tuli, 2010). The study sought to uncover the experiences of individuals involved in business alliances between TCs and HDIs in an empowerment context and then to develop a model that would facilitate understanding of the concept of trust in these institutions. The significance of the contextual factors in the research on trust have been highlighted by, *inter alia*, Caple (2012) and English and Baxter

(2010). The goal of the constructivist perspective is not to search for “truth” about the participants’ experiences but, instead, to ascertain how they, individually and subjectively, make meaning from such experiences (Davis & Michelle, 2011; Grant & Giddings, 2002).

1.5.2 The market of intellectual resources

The market of intellectual resources refers to the collection of beliefs which has a direct bearing on the epistemic status of scientific statements (Mouton & Marais, 1996). For the purposes of the theoretical models, meta-theoretical statements and conceptual descriptions about trust in business alliances, traditional companies, historically disadvantaged institutions and economic empowerment as well as the theoretical and methodological assumptions are presented.

1.5.2.1 Meta-theoretical statements

Meta-theoretical statements refer to the assumptions underlying the theories, models and paradigms of a specific study (Mouton & Marais, 1996). This study was conducted within the disciplinary boundaries of I-O Psychology and the sub-field of Organisational Behaviour. The focus of Organisational Behaviour is on the human aspect of the organisation at the individual, group and organisational levels (Hyde, Harris & Boaden, 2013; Seo et al., 2012).

As previously stated, the foundation of all business alliances is the relationship between the people who conceive of, develop and maintain such alliances (Arranz & De Arroyabe, 2012; Sklavounos & Hajidimitriou, 2011). In the case of alliances such relationships span organisational boundaries. Trust is pivotal for the effective functioning of a business alliance and the achievement of the alliance goals (Lok, Rhodes, & Walters, 2011; Zhang, 2011). As explained earlier, as a discipline and practice that is concerned with the human aspect of the organisation, I-O Psychology plays a vital role in enhancing the performance of people who conceive of, develop and maintain business alliances. The discipline and practice of Organisational Psychology is ideally situated to overcome the challenges that arise from the multiplicity of co-ordination problems such as inconsistent organisational structures, different parental control systems and dissimilar work procedures. Research into the functioning of alliances has revealed that trust eases complexities by strengthening relations between the partner representatives within the social network (Robson et al., 2008).

The construct of trust relates to the psychological domain of the business alliance relationship and, thus, for the purposes of this study, research into the domain of trust

required the scientific orientation, knowledge and methodology of I-O Psychology in order to address the research problem. Based on the paucity of relevant systematic research and data, the study developed a model that enhanced the understanding of organisational trust in business alliances in an empowerment domain.

1.5.2.2 Conceptual descriptions

The following conceptual descriptions served as points of departure for the discussion in this research:

Business alliances: Business alliances are described as an organisational form which may encompass two or more organisations working together to achieve their mutual goals (Li, 2013). Various types of business alliances that include licensing agreements, joint ventures, distribution and supply agreements, research and development partnerships and technical exchanges are all referred to in the existing literature (Gomes et al., 2014; Inkpen & Currall, 2004).

Trust: In the organisational context trust is defined as a process that involves the organisation's willingness to be appropriately vulnerable based on the belief that the other party to the alliance is competent, open and reliable (Nielsen, 2011). Trust is the trustor's willingness to be vulnerable to the behaviour of the trustee based on the expectation that the trustee will not abuse that vulnerability irrespective of the ability of the trustor to monitor or control the trustee (Mayer et al., 1995). Trust is a psychological state characterised mainly by positive expectations about the behaviour of others (Kramer & Lewicki, 2010).

Traditional companies (TCs): In the context of this study, TCs refer to organisations that are owned by the historically advantaged white segment of the South African population.

Historically disadvantaged institutions (HDIs): For the purposes of this study the term HDIs refers to organisations that are owned by the historically disadvantaged people. This includes people classified as Africans, Indians and Coloureds in South Africa.

Previously disadvantaged people: In the context of this study the term previously disadvantaged refers to those communities which, by virtue of their race, were disenfranchised and excluded from the political and main economic activities prior the democratic dispensation in South Africa in 1994.

Economic empowerment: The term seeks to give the previously disadvantaged people control over their social and economic quality of life through participation in the mainstream economy (Jönsson, 2010). It is believed that alliances between white and black businesses may play a vital role in the economic empowerment of the previously disadvantaged communities (Horwitz & Jain, 2011). Economic empowerment is the extent to which the previously disadvantaged people find meaning in their pursued economic activity which challenges their capabilities to perform relevant tasks skilfully with a substantial degree of autonomy in such a manner that they feel that they can influence the economic outcomes of their activity. The economic empowerment of the previously disadvantaged is an essential component of economic transformation in South Africa.

Economic transformation: This term refers to changing the composition of the ownership of and participation in the country's economy so that the people from previously disadvantaged backgrounds are able to play a meaningful role in the economy. Economic transformation aims at altering both the participation in and ownership of the economy in order to increase the number of people from the previously disadvantaged communities in such a way as to reflect the country's demographics (Lowenberg & Battacharya, 2010; Butler, 2011).

1.5.2.3 Theoretical assumptions

The review of the literature related to trust revealed the state of affairs in the topic under investigation. Based on the literature review, the following assumptions were made:

- There was a need to construct a model that would facilitate the understanding of organisational trust in business alliances between TCs and HDIs.
- As a discipline and profession that is geared towards enhancing the human aspect of the organisation, I-O Psychology plays a major role in the development of a model of trust that would help to explain trust in alliances between TCs and HDIs in the South African context.

1.5.2.4 Methodological assumptions

- According to Grant and Giddings (2002), it is not possible to establish the paradigmatic location of a study on the basis of whether quantitative or qualitative methods have been used. Meta-theoretical questions play a role in situating a

researcher's paradigmatic stance (Burrell & Morgan, 1977; Paige & Morin, 2014; Welch et al., 2013). Methodology is based on the abstract theoretical assumptions and principles that researchers espouse and, in fact, they underpin the particular research approach selected (Brown, 1980; Watts & Stenner, 2014). Methodology models not only the manner in which the researcher frames the research question but also the decisions taken concerning the research process and methods to use (Grant & Giddings, 2002).

- It is not possible to discern the interpretive paradigm and the constructivist approach used in a study on the basis of whether statistics have been used or not. As Brown (1980) argued, this would result in a misplaced emphasis. Although the use of numbers is not antithetical to the interpretive paradigm but it should cohere with the theoretical assumptions that underpin the paradigm. According to Walker and Evers (1999), the question as to whether quantitative and qualitative research methodologies are in conflict does not revolve around the use of numbers or mathematical and statistical procedures. The researcher's paradigmatic stance is the focal point and should assist to resolve the question (Wong et al., 2011).

1.6 RESEARCH DESIGN

The next section discusses three issues fundamental to the research design, namely, the research approach, research strategy and research method. Each will be briefly outlined in this chapter but discussed in greater detail in chapter 5. Figure 5.1 provides a diagrammatic representation of the research design used in this study. The figure encapsulates the interpretive and qualitative grounding of the study and also the low-key role of quantitative techniques in the study. However, it is also possible to infer from the figure why Q methodology may lay claim to a constructivist and qualitative approach. In addition, the figure highlights that all but the statistical data analysis processes that include correlation and factor analysis are anchored in the interpretive paradigm.

1.6.1 Research approach

The study followed the qualitative and constructivist approach referred to as Q methodology (Stenner, 2009). Some researchers view Q methodology as a blending of the quantitative and qualitative methods of research (Beck, 2014; Van Exel, Baker, Mason, Donaldson, Brouwer, & EuroVaQ Team, 2015). Ontologically this study contended that research participants construct their own operational models of the world. A researcher should guard

against being overly intrigued in his/her own constructions to the neglect of those of the participants (Brown, 1980). According to Westwood and Clegg (1994), a researcher's subjectivity negates the notion of an objective reality that may be transparently represented. The ontological premise of this study was that the participants' experiences of trust were relative and that there would be as many experiences as people who expressed them. As anticipated, this study revealed a plurality of views due to the varied experiences of the participants.

The epistemological assumption made in the study was that knowledge is something softer, subjective and transcendental. Saying that knowledge is softer and subjective presupposes that it is based on personal and unique experience (Burrell, 1999). Johnson and Cassell (2001) referred to epistemology as encompassing the criteria that researchers use, either implicitly or explicitly, to judge what does, and does not, constitute scientific knowledge.

The epistemological premise of this study was that the data required lay within the experiences of the stakeholders in business alliances between TCs and HDIs. The researcher interacted with the participants in order to collect the data because the requisite data lay within the experiences of the participants – epistemologically speaking. Thus, meaning was embedded in the participants' experiences (Tuli, 2010).

1.6.2 Research strategy

As previously stated Q methodology is a constructivist and qualitative approach to research that uses quantitative techniques in order to study human subjectivity (Goldman, 1999). In the lexicon of Q-methodology subjectivity refers to a person's communication of his/her viewpoint (Coogan & Herrington, 2011; Cuppen, 2013; McKeown & Thomas, 1988).

Q methodology is not about facts which are true or false but, rather, it is about the perceptions and opinions of persons who provide the facts (Brown, 1980; Exel et al., 2015). It is important to take into account that there are often conflicting opinions or different perspectives on an issue, for example, trust in the business alliances between TCs and HDIs. The focus is, thus, not on establishing truth but on discerning the existing views on an issue.

Q methodology requires that the participants be individuals who hold opposing views rather than those who seem to agree. The more divergent the views, the more interesting is the Q-methodology study because it will clearly show who disagrees with whom and also who

seems to be close in views to whom (Beck, 2014) and, hence, the endeavour to uncover the experiences of the individual participants involved in alliances between TCs and HDIs.

1.6.3 Research method

The data collection comprised four phases. These phases are briefly outlined below and discussed in detail in chapter 5.

Phase 1: During this phase a concourse was developed on the basis of both the review of existing literature on trust and the initial, phenomenological, in-depth interviews which were conducted with purposively selected 6 participants who shared their experiences of trust in business alliances between TCs and HDIs. The information from the literature review and the initial phenomenological interviews was used to develop a hybrid concourse and, ultimately, the Q sample containing 50 items. The details of this phase, including the construction of the Q sample, are explained in chapter 5.

Phase 2: During this phase the 25 participants who had been selected through purposive snowball sampling sorted the Q sample (the 50 cards containing statements about trust in alliances between TCs and HDIs) under a condition of instruction - from most agree to most disagree.

Phase 3: During this phase qualitative data were obtained from the post-Q sort interviews with the 25 participants. During these interviews they were given an opportunity to expound on their reasoning for their ranking of the items.

Phase 4: Finally, the Positive and Negative Affect Schedule (PANAS) (Watson, Clark, & Tellegen, 1988) items were also treated as Q sort items when the participants were asked to indicate the “extent you have felt this way over the last 6 to 12 months about the alliance you have or had”.

The following sections briefly discuss issues relating to the research setting, entrée and establishing of the researcher’s roles, sampling, data collection methods, data recording, data analyses, strategies employed to ensure data quality (*including ethical considerations*) and reporting of the findings. A more detailed discussion on the issues is provided in chapter 5.

1.6.3.1 Research setting

The research was limited to individuals who were involved in business alliances between TCs and HDIs in the Gauteng Province of South Africa at the time of the data collection in 2014. Gauteng is regarded as the economic powerhouse of South Africa. The individuals were classified as either black or white in South Africa.

1.6.3.2 Entrée, researcher role, research setting and reflections

The researcher gained access to the individual participants by means of a core of contact people whom he knew were involved in business alliances between TCs and HDIs. The researcher used his own connections to approach the first 6 individual participants and requested them to participate in the first phase of the data collection which comprised phenomenological interviews. In addition to soliciting their participation in the interview, the researcher also made logistical arrangements that included the interview dates, times and location. The role of the first 6 participants was, therefore, to share their experiences of trust in business alliances between TCs and HDIs. The reception of and interaction with the first 6 participants were both warm and cordial. Chapter 5 contains a more in-depth discussion of the implementation of the first phase of the data collection process.

The six individuals who participated in the first phase of the data collection were pivotal in the snowballed or expanded number of participants who took part in the second phase of the data collection because they referred the researcher to other individuals who were willing to participate in the study. As a result, the researcher was able to gain access to a larger pool of possible participants, thus resulting in a sample of 25 participants. The researcher also made logistical arrangements that included interview dates, times and location. The participants' role was to sort out the 50 cards that contained items about trust in alliances between TCs and HDIs. The researcher then conducted the post-Q sort interviews with the individual participants in order to gain a more insightful understanding of their rationale for their sorting of the items. Finally, the researcher provided the 25 participants with the PANAS (Watson et al., 1988) for sorting according to the extent they have/had felt this way about the alliances during the 6 to 12 months preceding the study. The researcher's experiences of the interactions with the participants are elucidated in chapter 5.

1.6.3.3 Sample and sampling method

The study used purposive snowball sampling. Snowball sampling is a non-probability and non-random sampling method. Through snowball sampling the existing participants assist the researcher to recruit other individuals from among their acquaintances who may be willing to participate in the study (Guest, Bunce, & Johnson, 2006). However, only participants who satisfy the criteria relevant to the research objective are selected for participation and they, in turn, assist in expanding the base of the participants by referring the researcher to their acquaintances for possible inclusion and participation in the study (Guest et al., 2006). The inclusion and exclusion criteria used in the study are expanded upon in chapter 5.

In Q methodology studies, a P sample or P set comprises persons who are theoretically relevant to the issue under investigation rather than persons who are randomly selected (Barker, 2008).

1.6.3.4 Data collection methods

During the initial phase of the study and for the purposes of developing a concourse, phenomenological, in-depth interviews were conducted with the first 6 participants. For these initial interviews all the respondents were requested to give their consent to participating in the interviews and to the audio recording of the interviews. Two participants only were not prepared to give their consent for the audio-recording of the interviews. The interviews were conducted at locations convenient to the participants. Accordingly, the majority of the interviews were conducted at their work offices and few at their own homes. One participant only was interviewed at the home of the researcher.

A hybrid concourse was developed from the interview data and the existing literature which had been reviewed. From the concourse a Q sample was drawn. A Q sample or Q set comprises a number of items and may be compared to a sample of tasks or items that form a questionnaire or a test to be administered to the participants (Ha, 2015).

During the second phase of the data collection data was obtained from 25 participants, including the six who had participated in the phenomenological interviews. The completion of Q sorts, post-Q sort interviews and the PANAS (Watson et al., 1988) scale were also conducted at a place and time convenient for the participants in turn or else sequentially.

The post-Q sort interviews provided the participants with an opportunity to expound on the reasons for the manner in which they had sorted the items. Finally, the PANAS (Watson et al., 1988) was administered to individuals who had participated in alliances between TCs and HDIs to determine the affective experiences of these participants of the alliances during the 6 to 12 months preceding the study. The PANAS is a widely used instrument with an established reliability and validity (Jain et al., 2012; Stokes, Lyons, Littlejohn, Natarian, Case, & Speranza 2010; Watson et al., 1988).

1.6.3.5 Recording of data

During the first phase of the study the researcher personally collected the requisite data by taking notes of the initial phenomenological interviews and also audio recording them. The audio recorded data was transcribed verbatim. The data were then used to develop the concourse and, ultimately, the Q sample. During phase 2 of the data collection process the statement scores for the completed Q sorts were recorded on the distribution markers similar to the one depicted in figure 5.12. The post-Q sort interviews were recorded using an audio tape and note taking. The responses to the PANAS scales (Watson et al., 1988) were recorded by the participants on the questionnaire itself because it is a self-completion scale.

1.6.3.6 Data analyses

As indicated earlier, the treatment of the data involved three distinct sets of data being analysed, namely, the completed Q sorts, the post-Q sort interview data and the completed PANAS (Watson et al., 1988). SPSS (2015, version 23) was used to analyse the completed Q sorts. Three quantitative statistical procedures, namely, correlation, factor analysis and rotation and determining factor scores as applied to the Q methodological approach were then used:

- First, a correlation matrix was used to indicate the pairs of Q-sorts which were either similar or dissimilar.
- The correlation matrix obtained was then subjected to factor analysis in order to identify the natural groupings of Q sorts by virtue of their being similar or dissimilar to one another. The initial set of factor loadings provided the researcher with raw material for probing the emerging subjective thinking from various vantage points. This was achieved by means of factor rotation (Morton & Sasse, 2014; Vizcaíno, García, Villar, Piattini, & Portillo, 2013; Watts & Stenner, 2005).

- The factor scores were determined as factor interpretation involves the systematic examination of the statements that define a factor. Brown (1980) defined a factor score as an average of the scores given to the statement in question by all of the Q sorts that define the factor.

The post-Q sort interview data was coded into themes. Specifically, the data analysis involved the researcher's familiarisation with and immersion into the data with themes being extracted from the interview transcripts. This information was used primarily to adduce evidence for the existence of the factors. Finally, in exploring the association between trust experiences and affect, the participants' results from the PANAS (Watson et al., 1988) were used unconventionally as a heuristic device to facilitate the exploration of the association between organisational trust and affectivity in business alliances between TCs and HDIs. The Positive Affect (PA) and Negative Affect (NA) scores from the PANAS (Watson et al., 1988) were averaged along the six factor groups so that the experiences of the group defining Factor A were examined vis-à-vis their PA and NA averaged scores. Each of these procedures is detailed in chapter 6.

1.6.3.7 The strategies employed to ensure quality data

Representativeness was ensured by applying factorial designs when choosing a Q sample. This eliminated issues of bias and ensured comprehensiveness and breadth as regards the coverage of the issues connected to the research topic.

- Qualitative research relies on the transferability of the findings and not on the generalisation of the findings to the broader population (Stergiou, Airey, & Riley, 2010). A rich description of the context of the study was provided to enhance the contextual applicability of the findings.
- Confirmability limits researcher bias by linking the results of the study to raw data. In other words, confirmability traces the findings to the raw data, thus ensuring that the research results are not the researcher's own assumptions, biases or worldview (Clisset, 2008; Petty, Thomson, & Stew, 2012).
- Dependability was ensured by conducting an inquiry audit while the external auditor examined the research process. In this study there was an audit trail while the researcher also kept a research journal (Petty et al., 2012).
- The integrity of the data was ensured by securing the data. All the data transcripts were stored safely on the computer with a password and on the data mass storage

devices of the researcher. This ensured the confidentiality of the information (Petty et al., 2012; Stergiou et al., 2010).

1.6.3.8 Ethical considerations

The researcher was granted ethical clearance by the University's Ethics Research Committee to conduct the study. The purpose of the study was explained to the participants as it was deemed necessary not to conceal such information. The information related to the opinions of the potential participants on the issue of trust in alliances between TCs and HDIs. The researcher approached individuals who owned TCs and HDIs individually. Permission to participate in the study was, therefore, obtained from the individual TCs and HDIs which, ultimately, took part in the study.

A letter that highlighted ethical issues such as confidentiality, anonymity and the right to withdraw at any stage of the study was sent to the participants. The letter also contained sufficient information about the research study in which they were requested to participate. The participants were asked to provide their written consent to participate in the study by signing the consent form. Some of the participants preferred not to give written consent for the interviews and declined the audio-recording. Although they preferred not to be identified they did, nevertheless, agree to assist the research process. A more detailed discussion of the ethical issues is provided in chapter 5.

1.6.3.9 Reporting of data

The results of the study were presented both qualitatively and quantitatively. Quantitatively, the reporting took the tables presenting the statements of the Q sort, their ranking by the factors and the statements distinguishing the factors. Qualitatively, the results were reported in the form of descriptions.

1.6.3.10 Division of the chapters

The study comprises the following chapters:

Chapter 1: Scientific orientation of the research

Chapter 2: Meta-theoretical framework: Economic empowerment from a historical and contemporary business perspective

Chapter 3: Organisational trust in the context of business alliances

Chapter 4: Trust and affect

Chapter 5: Empirical study

Chapter 6: Research findings

Chapter 7: Conclusions, limitations and recommendations

1.7 CONCLUSION

This chapter discussed the background to and the motivation for the study. The research central questions and aims that guided or directed the study were stated on the basis of the problem statement. The empirical and practical significance of the study was succinctly described. In addition, the concept of a paradigm and the interpretive aspect of the study were elaborated upon while the research design, including the research methodology used was also briefly explained.

CHAPTER 2: META-THEORETICAL FRAMEWORK: ECONOMIC EMPOWERMENT FROM A HISTORICAL AND CONTEMPORARY BUSINESS PERSPECTIVES

The aim of this chapter is fourfold. Firstly, the chapter explains the complexity of the concept of empowerment. Two broad notions of the concept of empowerment are suggested although it is not purported that this categorisation is exhaustive. In fact, this distinction may be censured for its oversimplification of an extremely complex phenomenon. However, it is hoped that the distinction will serve a useful purpose and both minimise misinterpretations and also enhance the appreciation of the complexity of the concept of empowerment in different settings. The application of the concept on the basis of various models is explained. This is followed by a conceptualisation of empowerment from an economic perspective. Two dominant views on economic empowerment are highlighted, namely (a) that economic development guarantees economic empowerment and (b) that government should initiate and adopt policies aimed at implementing economic empowerment.

Economic empowerment models such as the government's stipulation of the specific targets or quotas or the use of the scorecards may be laudable policy initiatives aimed at expediting economic empowerment. However, policies sometimes lack the specific aspects that would address the practical implementation of empowering the previously disadvantaged. This point, together with the role of Industrial and Organisational Psychology (I-O Psychology) within the economic context, is explored in order to facilitate the development of the specific human attributes associated with empowerment models.

Secondly, the chapter situates the discussion of the concept of economic empowerment within a historical perspective. Economic empowerment in the context of apartheid South Africa and the factors that may have given rise to economic empowerment of the previously disadvantaged are considered. South Africa's economic empowerment historical experiences prior to 1994 are explored, in particular the issue of Afrikaner economic empowerment. Experiences from elsewhere in the world, specifically Malaysia, are discussed.

Thirdly, contemporary South African experiences are considered. This section grapples with the concept of economic empowerment and its application in the context of post-apartheid South Africa. South Africa's post-apartheid application or model is juxtaposed with other contemporary approaches and contexts. The factors that may have contributed to the economic empowerment of the previously marginalised and the specific model adopted are elucidated. Economic empowerment may assume different forms, for example, government

initiatives to provide services such as housing and clean water to the previously discriminated against groups, while, in the business sphere, it may assume forms such as business alliances between black- and white-owned businesses.

Finally, a critical reflection on the historical and contemporary perspectives of economic empowerment is undertaken. This is followed by discussing the advantages, challenges, opportunities and pitfalls confronting the South African model for businesses and society. In view of South Africa's history and its economic empowerment model, it is possible that business alliances between black- and white-owned businesses may face trust issues. However, the issue of trust is discussed in more detail in chapter 3. This chapter concludes by illuminating the reasons why industrial organisational psychologists (I-O psychologists) may be interested in investigating the issue of trust in alliances.

2.1 CONCEPTUALISATION: ECONOMIC EMPOWERMENT

Research has shown that societies that victimise a section of their population are usually characterised by huge inequalities with those being discriminated against occupying the bottom rung of the socio-economic ladder of the society in question (Arya & Bassi, 2011). Such discriminatory practices are often sustained at immense human and economic costs that involve human suffering as well as significant disparities between the rich and the poor in terms of wealth, skills and development and the lower living standard of those discriminated against. In addition, there is the greater cost of slower economic growth (Rao & Rao, 2013).

With the transition to a non-discriminatory and equitable society, the amount of resources required to redress past imbalances is often staggering. As a result, more systematic initiatives are required in order to remedy the situation (Chabane, Goldstein, & Roberts, 2006). Governments are often called upon by the previously disenfranchised and marginalised to equalise the situation to enable them to exercise their newly found political freedom and choice concomitantly with social and economic freedoms and choices (Juggernath, Rampersad, & Reddy, 2011). The Constitution of the Republic of South Africa Act of 1996 recognises the inequities arising from years of discrimination and empowers the legislature to enact laws in order to ameliorate the situation. Specifically, Section 9 or the Equality Clause of the Constitution allows for legislative and other measures designed to advance or protect all persons disadvantaged by unfair discrimination. Government suasion and policies are pivotal in focusing on and addressing economic choices. However, other institutions in society, such as the private sector, have a significant role to enhance the

economic lives of the previously disadvantaged (Dillon, Back, & Manz, 2014; Juggernath et al., 2011; Patel & Graham, 2012).

2.1.1 Empowerment conceptualised

Over the years the concept of empowerment has come to assume different meanings for different people (Guevara-Hernandez, McCune, Rodriguez-Larramendi, & Ovando-Cruz, 2012; Inglis, 1997). Two broad notions of the concept of empowerment have been suggested although this does not imply that this categorisation is exhaustive. In fact, this distinction may be censured for its oversimplification of an extremely complex phenomenon. However, it is hoped that the grouping will serve as a useful heuristic device for comprehending the nuances of meaning, reduce misinterpretations and enhance an appreciation of the complexity of the concept empowerment in different settings.

The one notion of empowerment tends to associate economic empowerment with the radical social movements that agitated for equitable and participatory forms of social change and development (Batliwala, 2007). This notion is, in many respects, similar to what was later reconceptualised into a psychological empowerment construct (Seibert, Wang, & Courtright, 2011). For the purposes of this study this notion which is associated with radical, equitable and participatory social change is referred to as the radical social change perspective. Empowerment is also associated with internal cognitive states (Fernandez & Moldogaziev, 2012). Psychological empowerment is discussed later in this chapter in more detail in the section on empowerment in the workplace.

The second notion of empowerment developed with the appropriation of the concept by the industrial democracy movement and led empowerment becoming a managerialist concept (Inglis, 1997; Randolph & Kemert, 2011). This view is epitomised by the welfare and hand-outs distributed by some donor agencies to the marginalised (Mehra, 1997). The managerialist view of empowerment is similar to the dominant view in management and industrial and organisational psychology in terms of which empowerment tends to be seen primarily in relational terms that involve the manager allocating a degree of power to subordinates through delegation (Fernandez & Moldogaziev, 2012). Thus, according to this latter notion, empowerment is exemplified by the concepts of stability, moderation and co-option as in working within the existing social order. This notion is referred to as the moderate stability perspective. The two notions are succinctly discussed below.

According to the radical social change notion, empowerment is a counter-hegemonic concept for the social change associated with radical social movements if viewed from the perspective of its historical roots (Batliwala, 2007). Through empowerment the marginalised seek a social environment which is free of the inequalities which prejudice them socially, politically and economically (Jönsson, 2010). Empowerment is conceptualised as a process that challenges society's view of the prevailing state of affairs and also what is possible in terms of ameliorating the adverse political and socio-economic conditions which are impacting adversely on the marginalised (Dillon et al., 2014). As a process empowerment does not have an explicitly defined end apart from qualitative changes in the lives of those affected (Guevara-Hernandez et al., 2012). According to Jönsson (2010), the concept of empowerment exemplifies the needs and voices of the marginalised for a social environment that does not prejudice them socially, politically and/or economically.

The term empowerment seeks to give to the previously disadvantaged or the marginalised control over their social, physical and economic quality of life through participation and partnership in terms of the government or other stakeholders (Jönsson, 2010; Mehra, 1997). The radical social change notion of empowerment suggests that the marginalised should actively participate in issues or programmes that affect them and also that those who seek to be empowered should not allow other stakeholders to usurp the initiatives aimed at empowering them (Page & Czuba, 1999; Rao & Rao, 2013). Kroeker (1995) noted that one of the crucial goals of empowerment is to increase the level of participation of the recipient of the empowerment programme.

In addition to participation and control, empowerment is also associated with power, self-realisation and influence (Jönsson, 2010). Viewed through this lens, empowerment then becomes a process of social change that acknowledges the constraining role of social structures. Empowerment challenges society's fundamental thinking about the disbursement of power and the way in which it affects the distribution of and access to resources. Thus, it speaks to society's view of helping others to succeed (Page & Czuba, 1999; Rao & Rao, 2013). It may be inferred from the last statement that the focal point of this view of empowerment is initiatives that aim at redressing imbalances. Such initiatives are usually aimed at challenging the status quo and ensuring that the previously disadvantaged have access to the resources and requisite skills which are essential in the interests of impacting positively on their lives.

According to Batliwala (2007) the main thrust of empowerment is to shift social power in three significant ways: (1) confronting the ideologies that justify social inequality; (2)

transforming the mode of accessing and controlling economic, natural and intellectual resources and (3) transforming the structures and institutions that perpetuate prevailing power structures. The primary strategy usually aims at encouraging the marginalised to reflect on their situation and critically analyse the structures and ideologies that sustain and perpetuate their subservient positions. Ultimately, it is the marginalised who have to articulate the kind of change they wish to bring about and also how to achieve this (Batliwala, 2007).

The view that empowerment involves agitating for authentic social change may raise questions about the plausible practicality of the concept. The utility, relevance and feasibility of the concept as it applies to discriminatory and oppressive political systems and societies similar to those of apartheid South Africa are doubtful. Under such conditions empowerment will be viewed as antithetical to upholding and perpetuating both the subjugation of the marginalised people and also domination by those with whom the locus of power resides.

Bhattacharya and Lowenberg (2010) contended that it is not possible to discard the continued domination motivated by the 'Beckerian taste for discrimination' with a stroke of the pen. 'Beckerian taste for discrimination' implies that discrimination increases the cost of the organisation because by discriminating against workers belonging to a certain social group, the employer would have to pay more so that work can proceed without them (Figart & Mutari, 2005). In the South African context the Beckerian taste for discrimination would posit that racial wage differentials in a competitive labour market may be attributed to a willingness on the part of prejudiced white capital owners to accept reduced profits to enable them to indulge their preference for hiring more expensive white labour rather than cheaper black labour. One of the implications of the preference for discrimination is that it reduces the profitability of employers (Bhattacharya & Lowenberg, 2010; Ferreira, 2014). In empowerment settings this may translate into a reduced rate of economic returns such as reduced economic growth although the loss is offset by the subjective premium placed on the subservient position of the marginalised. It is clear that indulging a preference for discrimination happens at a cost to economic growth and development.

The second or moderate stability notion had its roots in the rise in the neoliberal ideology and the industrial democracy movement (Inglis, 1997; Harlow, Berg, Barry, & Chandler, 2012). The radical notion of empowerment was deliberately telescoped and brought within the realm of neoliberalism so that it exemplified stability, moderation and co-option as in working within the existing social order. In terms of this perspective the main thrust of empowerment is on centring the individual problems that may obfuscate individual

development and not those within the realm of the structure of the society (Duflo, 2012; Jönsson, 2010; Rao & Rao, 2013). A radical socio-political concept such as empowerment became adulterated, trendy and a common “buzzword” (Batliwala, 2007). The appropriation of the concept by neoliberal economics and the industrial democracy movement, including industrial and organisational psychology, transformed empowerment into a managerialist concept (Cornwall & Rivas, 2015; Inglis, 1997; Randolph & Kemert, 2011). Managerialism came to be seen as the organisational arm of neoliberalism (Harlow et al., 2012; Lynch, 2014).

It may be inferred from the preceding discussion that issues of power, power relations and control are not problematized by the moderate stability notion of empowerment. Critics of this perspective contend that empowerment becomes a delusion if it is sought within a system that does not question the unequal disbursement of power that creates and fosters social inequalities (Jönsson, 2010). This furthers the legitimising of the power structures in society. The detractors of this view cite as evidence the involvement of numerous international development and donor agencies with marginalised communities. According to Kroecker (1995), the programmes that target the poor may be placed on a continuum that ranges from hand-outs to empowerment.

Mehra (1997) maintained that such programmes fail because they are motivated by welfare and not by development. Empowerment is viewed as something that comes from outside and which is done for the marginalised who are in need of experts and with little or no participation on the part the purported beneficiaries. Under such circumstances both the anticipation and prevention of the problems that may plunge the marginalised into a state of under-development and the long-term unsustainability of such programmes are not prioritised (Guevara-Hernández, McCuneb, Rodríguez-Larramendic, & Ovando-Cruz, 2012). The empowerment goals are realised upon completion of a project (Duflo, 2012). This perspective has been censured for the scant attention accorded to the change in the lives of the purported beneficiaries. It may be aptly described as resembling hand-outs (Kroecker, 1995). The moderate stability notion of empowerment is also censured because its empowerment initiatives are insufficient both to meet the long-term needs of the marginalised and to foster self-reliance. It is undeniable that such projects as women’s sewing schemes are significant development initiatives that may make an immense contribution to the empowerment of the marginalised women (Suja, 2012). For example, women’s employment under such schemes may, albeit minute, alleviate poverty and also reduce the discrimination and harassment that women are sometimes subjected to in the short-term (Duflo, 2012; Kote & Honnakeri, 2012; Rao & Rao, 2013; Savitha & Jyothi, 2012).

However, such initiatives have been proved to be inadequate in eradicating the ideologies that justify social inequality, the inequitable mode of accessing and controlling resources and the structures that perpetuate prevailing power structures (Batliwala, 2012).

The moderate stability notion of empowerment has also raised fundamental questions relating to the feasibility of empowerment initiatives in discriminatory political systems and societies. As previously argued, the rationale for such horrendous political systems invalidates empowerment because the two are antithetical. Research has corroborated the argument that discriminatory political systems are characterised by the lower income of the marginalised which has a negative impact on economic growth and development by reducing investment (Bhattachyra & Lowenberg, 2010). Under such systems empowerment may become a fantasy or wishful thinking because it hinges on or its prerequisite is economic growth and development.

In terms of Burrell and Morgan's (1979) conceptions of interests, conflict and power, the distinction between the two views of empowerment become more pronounced. For example, the radical social change notion views the interests of the marginalised as predominating and regards social change as essential for their authentic empowerment. On the other hand, the second or managerialist meaning is slanted towards serving as a façade that legitimises the interests of a neoliberal social order that subordinates the interests of the marginalised people. The moderate stability notion asserts that empowerment will happen as economic growth and development occurs (Cornwall & Rivas, 2015; Dillon et al., 2014; Harlow et al., 2012).

It may be surmised that the moderate stability perspective views conflict as a transient phenomenon that will be eradicated by economic development and growth. On the other hand, the radical perspective is likely to view conflict as a phenomenon that manifests because of the antithetical interests of the groups concerned (Batliwala, 2012; Lynch, 2014). The first perspective questions the disbursement of power in society whereas the second completely ignores it and maintains the façade of working for the common interests (Cornwall & Rivas, 2015; Harlow et al., 2012)

Clearly, the concept of empowerment has intrigued people from across the spectrum of society. It has also been used by both those with radical and conservative agendas and by both those with and without a voice. The discussion above highlighted the complexity of the concept of empowerment. The next section focuses on the application of the concept in management and organisational settings. Two nuanced empowerment notions within the

domains of management and industrial and organisational psychology are elucidated – what Fernandez & Moldogaziev (2012) refer to as managerial and psychological empowerment. Briefly, psychological empowerment begins with the enhanced feelings of value, self-efficacy and control which culminate in self-reliance. Managerial empowerment implies that control does not reside with the employee but that the manager decides on the aspects to be ceded or delegated.

2.1.2 Managerial and psychological empowerment

The origins of managerial empowerment may be traced to the ascendancy of the neoliberal ideology and the concomitant rise in capital markets (Harlow et al., 2012). The dominant neoliberal thought paved the way for the change in radical and transformative thought, thus resulting in the concept of empowerment being denoted and transmitted into a more diluted and transient concept (Batiwala, 2007; Randolph & Kemert, 2011). In the domains of the social sciences and management the concept of employee empowerment has varying connotations (Fernandez & Moldogaziev, 2012; Hanold, 1997). As has been mentioned, empowerment was associated with radical social movements but, since its appropriation by organisational management and industrial training, it has become a managerialist concept (Appelbaum, Herbert, & Leroux, 1999; Fernandez & Moldogaziev, 2012; Inglis, 1997; Lynch, 2014).

As a result of the appropriation of the concept of empowerment by neoliberal thought and the perceived consequent loss of meaning, some adherents of the radical view have invoked a distinction between empowerment and emancipation (Fernandez & Modogaziev, 2012; Freire & Shor, 1991; Inglis, 1997) According to Inglis (1997, p.4), “empowerment involves people developing capacities to act successfully within the existing system and structures of power, while emancipation means critically analysing, resisting and challenging structures of power”.

While employee empowerment has been associated with the industrial democracy movement over the years, the human relations movement is credited for its rise in significance in the 1980s and 1990s (Appelbaum et al., 1999). As regards management and industrial and organisational psychology, the concept gained momentum following the introduction of such management philosophies as total quality and participatory management (Seibert et al., 2011). The zenith of its popularity came in the 1990s and culminated in a scholarly journal with a title that embraced the concept of empowerment being launched.

The precursors to the concept of employee empowerment often cited included job enrichment and job autonomy with their implied increase in responsibilities that included decision-making (Hanold, 1997; Randolph & Kemert, 2011). Empowerment in organisations has also been seen as an effective way of improving employee attitudes and work behaviours. Within the field of management and industrial and organisational psychology, empowerment has been viewed as synonymous with employee participation and involvement or delegation (Wyer & Mason, 1999; Randolph & Kemert, 2011). Employee empowerment may be associated with the levers that managers may use in order improve performance (Fernandez & Moldogaziev, 2012). However, there is no consensus on a specific definition of employee empowerment, particularly one relating to the scope of the initiative that employees may exercise, the degree of delegation of authority or the extent to which power is cascaded to the lower ranks in an organisation (Appelbaum et al., 1999; Dillon et al., 2014; Spreitzer, Kizilos, & Nason, 1997).

Within the field of industrial and organisational psychology terrain, empowerment exists in an organisation if the employees are afforded an opportunity in the execution of their duties to exercise initiative in good faith even if the initiative goes beyond their normal duties. However, they are not arbitrarily penalised for taking the initiative if things do not go well. Organisations that embrace employee empowerment philosophies grant their lower level employees substantial influence on organisational matters (Appelbaum et al., 1999; Fernandez & Modogaziev, 2012).

The advent of employee empowerment in management has not been without controversy (Appelbaum et al., 1999). The concept has also been censured because of the hierarchical manner in which business organisations are structured with management roles clearly reflecting both control and power (Seibert et al., 2011). A significant segment of management's prerogatives relates to the power to influence the allocation of resources that influence the outcomes of decision making and access to resources (Fernandez & Moldogaziev, 2012). Organisations also use subtler ways in which to exercise their power such as the socialisation of employees and communicating the goals of the organisation (Lashley, 1999; Randolph & Kemert, 2011). It is clear from the above how employee empowerment in business organisations limits the devolution of power. Contradictions in empowerment are obvious as the acquisition of power and management's control clearly limit the attainment or devolution of power (Lashley, 1999).

The managerial perspective of employee empowerment has been discredited for both its narrow focus as well as its tendency to equate empowerment exclusively with the sharing of decision-making authority with employees through some participative management techniques (Fernandez & Moldogaziev, 2012). The relational view of empowerment as management's (within whose ranks the locus of power resides) sharing of power with employees who possess no power has been criticised. These inadequacies of the managerial perspective resulted in the re-conceptualisation of empowerment as a psychological construct (Fernandez & Moldogaziev, 2012).

Kroeker (1995) placed the need to raise consciousness at the individual level, participation in group meetings at the organisational level, relations with service providers and the role of national events at the societal level at the centre of the construct of psychological empowerment. At the individual level, psychological empowerment encompasses psychological and material goals. Psychological empowerment begins with enhanced feelings of value, self-efficacy and control (Kroeker, 1995). Consciousness raising and critical thinking are essential in understanding the way in which powerlessness sustains itself and account for the marginal existence of those that need to be empowered. Understanding both the reality of one's life and the possibilities of acting upon this reality provides one with the choice between striving to change one's life or to retreat from it (Fernandez & Moldogaziev, 2012). At the organisational empowerment level, the focus is on changing the power structures of organisation so that the organisation reflects respect, participation and control on the part of the organisational members. The organisation strives to increase the skills and contributions of its members as well as the sharing of responsibilities thereby enhancing both psychological and organisational empowerment (Kroeker, 1995). However, neither the material nor the psychological goals of empowerment are achieved through individualistic means but rather through collective processes (Kroeker, 1995). It is clear from this last statement that one may construe this notion of psychological empowerment as tending towards the more anti-hegemonic social change perspective that advocates authentic and radical change.

Societal empowerment aims at changing the structures and institutions of the society that locks people into positions of powerlessness. National and international institutions possess the resources that are sometimes used to sustain the marginal role of people (Singh, 2012; Batliwala, 2007). However, such organisations have a pivotal contribution to make in terms of circumventing the powerlessness that characterises so many communities (Duflo, 2012). In addition, societal empowerment is also critical for sustaining individual and organisational empowerment (Kroeker, 1995).

In line with Thomas and Velthouse (1990) and Spreitzer (1995) and germane to its utilisation in organisational settings, Choong and Lau (2011) explained psychological empowerment as a construct that encompasses an employee's personal sense of control in the workplace, which manifests in the beliefs about person-work which fit into the four dimensions or cognitions. Spreitzer (1995) explained the following four dimensions which define the psychological experience of empowerment in the workplace, namely, meaning, competence, self-determination and impact.

Meaning refers to the value of a task goal or purpose which is judged in relation to an individual's own ideals of standards (Spreitzer, 1995) while competence is the belief in one's own capabilities to perform task activities skilfully (Spreitzer, 1995). Self-determination refers to independence or autonomy in initiating work behaviours and processes while impact is about perceptions of the degree to which one may influence certain work outcomes (Spreitzer, 1995). The uniqueness of Spreitzer's (1995) model lies in the fact that it reflects both the cognitive and motivational elements of empowerment. For example, meaning encompasses the intrinsic motivation to control, the competence dimension captures self-efficacy and perceived competence while self-determination and impact capture domain-specific, perceived control in a work context (Fernando & Moldogaziev, 2012; Spreitzer, 1995).

The significance of the psychological empowerment model proposed by Spreitzer (1995) lies in the mediating role of the four dimensions which establish linkages between social structural antecedents and behavioural outcomes and individual behaviour or employee outcomes. Examples of structural antecedents are identified as managerial practices such as access to information and resources and organisational culture while behavioural outcomes include individual behaviours such as innovativeness and managerial effectiveness (Fernando & Moldogaziev, 2012; Spreitzer, 1995).

At its formative stage, the psychological empowerment model was recognised for its immense contribution in establishing the validity of the empowerment construct. However, Spreitzer et al. (1997) also acknowledged the lack of deeper understanding of its multidimensional nature, for example, the issue of how the four dimensions contribute to the expected outcomes of empowerment (Spreitzer et al., 1997).

Empowerment is associated with concepts such as self-efficacy, self-worth and intrinsic motivation (Seibert et al., 2011). Psychological empowerment has been studied in relation to a host of constructs, including employee outcomes such as job satisfaction (Choong & Lau

(2011; Lin & Tseng, 2013), leadership and employees outcomes (Jha, 2013; Kim & Kim, 2012) and organisational citizenship (Lin (2013)). For example, psychological empowerment is viewed as significant in terms of job satisfaction. Managers and supervisors may implement psychological empowerment programmes that are aimed at enhancing employees' job satisfaction and, increasing productivity (Choong & Lau, 2011).

However, Jha (2013) cautioned that psychological empowerment is not something just to be talked about. It is not sufficient merely to tell employees that they are empowered. Empowerment requires requisite changes in the managerial practices and policies of the organisation. Hanold (1997) also warned that employee empowerment will not happen naturally within organisations as the majority of organisations have in place numerous disempowering structures that have been entrenched over the years. In addition to such structures employees' attitudes, which have been formed over the years, may also serve as an impediment to the creation of empowering organisations. Years of working under severe restrictions may hinder employees from taking the initiative. Neither leadership change nor individual learning will have sufficient impact on the creation of empowering organisations (Hanold, 1997).

Seibert et al. (2011) indicated a set of factors on which those entrusted with enhancing employee empowerment in their organisations should focus. At the organisational level, high-performance managerial practices such as open information sharing, participative decision-making and the extensive use of training are some of the vital components for increasing empowerment.

It may be that Jha (2013) was correct in arguing that psychological empowerment may be more significant in some industries than others, for example, the service industry as compared to the manufacturing industry. Previously, Seibert et al. (2011) found that the effects of psychological empowerment on job satisfaction were strongest in the service sector.

Employee empowerment in the public sector has also been studied in Fernandez and Moldogaziev (2012). It has been contended that empowered employees improved performance in the public sector through innovative ways of correcting errors in service delivery and redesigning work processes.

As regards the concept of empowerment, it is clear from the discussions above that it is a complex concept with numerous conceptualisations. The concept has been used both within and outside of business organisations in different settings, from welfare hand-outs and community self-help projects to radical projects that called for authentic social change in the lives of marginalised people (Batliwala, 2012; Cornwall & Rivas, 2015; Singh, 2012); from non-managerial to managerial perspectives and from community to employee empowerment (Dillon et al., 2014; Harlow et al., 2012; Randolph & Kemert, 2011).

The discussions above have implications for the discussion on economic empowerment. These discussions suggested that, as regards theory and practice, much may be acquired or borrowed from the existing literature on psychological empowerment and then be tested or absorbed into the literature on economic empowerment theory and practice. In view of the relatively precise nature of its conceptualisation, psychological empowerment theory, particularly in terms of its four dimensions, has much to contribute to the concept of economic empowerment. In this regard, the role of industrial and organisational psychology becomes pivotal.

It was noted from the literature on psychological empowerment that the construct of psychological empowerment encompasses both psychological and material goals. However, the process of empowerment begins with enhanced feelings of value, self-efficacy and control (Kroeker, 1995). The relevant literature on psychological empowerment highlighted that the four dimension of empowerment have numerous implications for the theory and practice of economic empowerment and particularly in societies in which marginalisation has occurred for decades. In addition, the formidable impediments to psychological empowerment, such as powerlessness, a lack of access to the resources and the requisite skills essential if the lives of marginalised people are to be impacted upon in the desired manner, are likely to obscure economic empowerment.

Economic empowerment models such as the government stipulation of specific targets or quotas or the use of the scorecards may be laudable policy initiatives aimed at expediting the economic empowerment of previously disadvantaged people (Ntim & Soobaroyen, 2013). However, these initiatives may lack the specific details relating to the practical implementation of empowering the previously disadvantaged. The role of Industrial and Organisational Psychology within the economic context may be vital to facilitating the development of the specific human attributes associated with empowerment models. For example, the uniqueness of Spreitzer's (1995) model lies in the fact that it reflects both the cognitive and motivational elements of empowerment. As both a discipline and a practice

that is concerned with the human aspect of the organisation, Industrial and Organisational Psychology is ideally positioned to facilitate the development of such attributes.

In short, the literature on empowerment discussed above reflects the diversity of thought regarding the construct of empowerment. Some of the conceptualisations of empowerment, for example, Spreitzer's (1995), are well-defined and anchored in specific dimensions. Such conceptualisations may hold numerous possibilities for the development of authentic economic empowerment. It may, however, be concluded that, without a grounding on the specific dimensions, the notion of authentic economic empowerment may remain elusive for the purported beneficiaries of such empowerment. For example, using Spreitzer's (1995) dimensions within the domain of economic empowerment may be helpful in evaluating the empowerment of those whom the system is designed to assist.

After exploring the concept of economic empowerment and its models and elucidating the historical and contemporary perspectives and applications of economic empowerment, this chapter concluded by introducing and reflecting on business alliances and trust in these institutions. The role of Industrial and Organisational Psychology within this context is also briefly elucidated.

2.1.3 Economic empowerment models

At an economic level, empowerment seeks to eradicate the root causes of economic powerlessness among the previously disadvantaged. Kroecker (1995) explains powerlessness as a deprivation of those resources that are essential for the survival and betterment of the lives of the marginalised. In addition, it may be regarded as an alienation process that becomes self-perpetuating as the marginalised come to accept and hold little expectations about their condition.

Economic empowerment encompasses change in the socio-economic status of previously disadvantaged individuals (Dillon et al., 2014; Duflo, 2012). However, it is essential that economic empowerment is not something that is wished for or carried out by others for the previously disadvantaged people. While the facilitating role of the state and other social or business institutions are pivotal, economic empowerment necessitates the involvement of its purported beneficiaries (Batliwala, 2007; Duflo, 2012). Nevertheless, the state and other institutions in society play a vital pivotal role in affording access to the resources essential for the economic transformation of the lives of the previously discriminated. As explained below, access to resources is a complex concept that transcends access to just finance or capital

(Singh, 2012). It is possible to deduce from the two empowerment notions discussed above that the radical social change notion of empowerment maintains that the ownership, participation in and control of the purported empowerment programmes or initiatives by the previously marginalised are the *sine qua non* for their authentic economic empowerment.

At a superficial level access to finance may be equated with or viewed as sufficient condition to bring about economic empowerment. In fact, as has been repeatedly observed and cautioned, although access to finance remains one of the key requirements of economic empowerment it is also no guarantee of such empowerment (Rao & Rao, 2013). Duflo (2012) explained economic empowerment as improving the ability of the marginalised to access the constituents of development. However, the denial of rights and voice and a lack of education, skills and business experience will undermine economic empowerment initiatives as these attributes are vital ingredients of economic empowerment.

For example, in South Africa, decades of discriminatory policies deliberately ensured an abundant supply of cheap black labour by placing restrictions on what blacks were allowed to do (Bhattacharya & Lowenberg, 2010; Butler, 2011). This limited the pool of skilled labour on which the country could rely. Blacks were forced to remain on the periphery of the mainstream economy as various laws made it impossible for them to access good education, lucrative jobs and opportunities for business (Butler, 2011; Lowenberg & Battacharya, 2010; Lundahl, 1982; Tangri & Southall, 2008).

Untenable social divisions are often deeply entrenched in societies and may result from or occur simultaneously with the unjust discrimination that has the effect of rendering the marginalised people vulnerable to exploitation and under-development (Singh, 2012). As a result those who have been marginalised may lack the ability and practical skills essential to defining their business goals and making decisions that will facilitate the achievement of such goals (Rao & Rao, 2013). It may, thus, be conjectured that, apart from the availability of and access to resources such as finance or capital, the complexity of economic empowerment initiatives may lie in the fact that often the purported beneficiaries are people who have, over the years, been excluded from the economic mainstream and become marginalised and, therefore, lack more than just access to finance and/or capital.

It may be theorised on the basis of the discussion above that economic empowerment is a process through which those previously discriminated against cease to operate on the periphery of the economic landscape, gain movement, become active participants in the economic mainstream and acquire the ability to make economic choices. In this sense,

economic empowerment denotes access to power. The previously disadvantaged who operated on the periphery of the economic terrain acquire both knowledge and expertise about their spheres of business. As a result their spheres of influence become enlarged with this implying increased power (Rao & Rao, 2013).

In the world of today the need for empowering the marginalised is acknowledged in many societies. However, disagreements arise with regard to the institutions of society which should facilitate this economic empowerment (Duflo, 2012). There is controversy regarding the role of the government or state and that of the private sector in empowering the marginalised (Cornwall & Rivas, 2015). Nevertheless, the jargon of the proponents of state-led and private sector-led empowerment is, in many respects, similar and this may result in a murky or obfuscated meaning being attributed to such terms. For example, private sector-led notions are suspicious of terms such as empowerment unless they have been clarified to mean that economic empowerment does not precede development and that it is through development that the marginalised may be empowered (Singh, 2012).

Duflo (2012) referred to a bidirectional relationship between economic development and empowerment. The one assumed direction perceives development alone as playing a crucial role in reducing the inequalities between groups while the other direction perceives that empowerment may facilitate and accelerate development. It is possible to infer from this relationship and also from broader literature sources the existence of two dominant perspectives. According to the one viewpoint development alone may play a crucial role in reducing the inequality between groups in society, for example, between females and males and/or blacks and whites (Duflo, 2012). This stance has policy implications as it would seem to suggest that policymakers should focus on engendering conditions that will facilitate economic growth. However, there is also the argument that this should happen without specific policy interventions aimed at ameliorating the position of disadvantaged, marginalised or historically disadvantaged people. The second viewpoint states that the empowerment of marginalised people may accelerate development (Duflo, 2012). This perspective advocates policy interventions aimed at addressing past inequities with policymakers adopting specific policies and strategies intended to redress imbalances and improve the circumstances of the marginalised people. For example, according to this perspective policymakers should develop policies and strategies that will improve the access to rights and resources of the marginalised (Cornwall & Rivas, 2015; Duflo, 2012).

The next section expands on this discussion by reflecting on the application of the concept of economic empowerment. Two models of economic empowerment are distinguished, namely,

(1) the economic empowerment of the marginalised will occur as and when development occurs and (2) policymakers should adopt specific policies and strategies intended to empower the marginalised.

2.1.3.1 Economic development guarantees economic empowerment

The model that propounds that economic development guarantees economic empowerment is based on the premise of minimum government intervention in the economy and is opposed to the introduction of special policies or laws to empower the economically marginalised (Duflo, 2012). The fundamental issue thus becomes the focus of policy-makers vis-à-vis economic development and economic empowerment. The proponents of this model (economic development guarantees economic empowerment) tend to suggest that the government should not legislate for economic empowerment and should, instead, play a minimal role in the economy except for creating conditions that enable economic development (Baker & Greene, 2011).

Duflo (2012) argued that poverty and lack of opportunity breed inequality between males and females. He went on to say that, when economic development occurs, it curtails poverty and benefit women in the following two ways: (1) when poverty is curtailed the condition of women, in common with all other members of society, improves and (2) gender inequality declines with poverty and, *ipso facto*, with development, the condition of women improves more than that of men. However, Duflo (2012) believed that economic development is a necessary, but not sufficient, condition for gender equality.

The argument is that with less government interference in matters pertaining to the economy and the private sector operating in an unfettered way, economic development is facilitated. Economic development results in more resources available to be shared, including with the marginalised. In this way, thus, economic development ameliorates societal inequalities and facilitates economic empowerment (Duflo, 2012; Rao & Rao, 2013; Savitha & Jyothi, 2012).

The literature review revealed a degree of support for this perspective. It has been argued that economic development and growth reduce poverty and, thus, have a positive impact on gender equality (Duflo, 2012; Singh, 2012). As regards gender equality, Duflo (2012) observed that poor households tend to face more constraints than richer ones. However, economic development and growth lessen the constraints faced by poor families (Savitha & Jyothi, 2012). In addition, the increase in the availability of resources may help to reduce the excess vulnerability of the marginalised, including women (Duflo, 2012; Rao & Rao, 2012).

Households are enabled to afford basic food as a result of economic growth (Duflo, 2012). Economic development and growth reduce poverty as more resources become available while the government is able to render services or offer grants that may help to sustain the marginalised in the short-term. The availability of jobs may also make it possible for households to avoid marginal subsistence (Singh, 2012).

Nevertheless, despite the convincing arguments in favour of the minimal role of the state or policymakers in ameliorating the conditions of the marginalised people, questions about the adequacy of the economic growth and development model persist (Horwitz & Jain, 2011). Answers to these questions would require an examination of the prevailing material conditions in every situation. The answers to the questions may also differ depending on the way in which the constituent social groups co-exist or co-existed. Institutionalised discrimination such as sexism and racism or the remnants thereof may create conditions that render the arguments in favour of the economic development model ineffectual (Horwitz & Jain, 2011; Van Scheers, 2010).

After independence in 1957 and a decade of economic growth between 1960 and 1970, the income inequalities inherited from the colonial period in Malaysia worsened with the rich becoming richer and the poor becoming poorer (Doraisami, 2012). Prior to the adoption and implementation of government interventionist policies, the rising productivity and the concomitant economic growth benefited primarily those people who owned the means of production or the well-to-do (Gabriel, 2015). This does not, however, negate the argument that full employment and productivity increases may result in wage increases but, instead, it may imply that, in a situation in which there is rising productivity, the bulk of the returns are likely to accrue to the well-to-do. In Malaysia many of the indigenous people attributed their socio-economic plight to the ethnic Chinese economic hegemony. The situation of the underprivileged and impoverished indigenous Malay or the *Bumiputeras* became dire (Gabriel, 2015; Jomo, 2004).

In addition, research has substantiated the argument that discriminatory political systems and societies tend to exhibit low economic growth (Bhattacharya & Lowenberg, 2010). Prior to 1994, South Africa had been a country of racial separation and white superiority and domination. Bhattacharya and Lowenberg (2010) reported that, during this time, the country experienced low economic growth because of the need of the privileged to satisfy their Beckerian tastes.

The thesis of the model premised on 'economic growth guarantees economic empowerment' is that economic growth and development will enhance the economic empowerment of the disadvantaged people. The issue of no government intervention is intriguing when one considers the imperfections of the markets (Horwitz & Jain, 2011). As already mentioned, the Beckerian taste for discrimination is common in societies or systems characterised by institutionalised racism or sexism and precludes the privileged from changing their minds about the subservient position of the marginalised (Bhattacharya & Lowenberg, 2010). One may, thus, conclude that, in societies where discrimination is institutionalised, the market forces will not fundamentally alter the marginal economic position of the disadvantaged and the gap between the haves and the have nots may become bigger (Hart & Padayachee, 2013).

One may hypothesise about the possible link between this economic model and the two empowerment perspectives discussed earlier. The moderate stability notion of empowerment is likely to co-exist with this economic policy model as a result of their mutual preference for stability, moderation and working within the existing social order. In addition, neither advocates government interventions in order to improve the situation or conditions of the previously marginalised.

2.1.3.2 The government should adopt economic empowerment policies

The issue that confronts those who believe that the government should intervene in matters relating to the economy is the extent to which policy makers should intervene through policies aimed at empowering the marginalised.

The perspective that the government should intervene does not negate the role that economic development may play in the economic empowerment of the marginalised. The perspective stipulates that economic growth and development are not sufficient to overcome many forms of either present or past discrimination and, consequently, empowerment must not be left to the whims of the markets (Duflo, 2012; Horwitz & Jain, 2011). Economic empowerment requires unequivocal and unambiguous policy and action aimed at empowering the marginalised, including women (Jönsson, 2010; Singh, 2012).

Inequities in the workplace between men and women and blacks and whites abound (Duflo, 2012). The literature provides extensive evidence of both gender- and race-based inequitable treatment of employees with women and blacks, who are equally as qualified and competent as their male and white counterparts, earning less as well as evidence that

female and black leaders are often evaluated more negatively than their male and white counterparts (Duflo, 2012). Although archaic and discredited, at some point the eugenics was influential and the vestiges of this thought pattern continue to plague many societies (Blum, 1978; Kamin, 1976; Kohn, 1995). It is observed that this occurs even in countries in which social movements have engaged in struggles for equality and democracy (Batliwala, 2007). Democracies flourish and economies grow but the inequality remains firmly entrenched with prejudice and stereotypes remaining a formidable barrier to equality. This observation makes it imperative to develop and implement policies and strategies aimed at realising equality between people of, for example, different gender and race (Singh, 2012).

The affirmation and empowerment of women and blacks become a logical step in ameliorating the marginal economic common condition in which they are likely to find themselves. Realising equality between men and women and whites and blacks requires special legislation or policy (Constitution of the Republic of South Africa Act of 1966). According to Duflo (2012), equality is a desirable goal in and of itself and to bring it about it is essential to develop, implement and take policy actions that favour women at the expense of men and do so for a long time. Duflo's contention is that such empowering policies are justified if they fuel further economic growth and development.

In re-examining the above discussion on the two models, one may observe that they are not, in fact, necessarily mutually exclusive. As regards the model that suggests that economic development stimulates economic growth, the view is that economic development is more possible if there is minimum government interference in matters pertaining to the economy and the private sector is allowed to operate in an unfettered way,. However, while some of the consequences of economic development include more resources to be shared and the curtailment of poverty, the rich tend to amass the benefits with little or no real benefits accruing to the previously marginalised. As it will be noted later in this chapter the Malaysian experiences offer a salutary lesson. The Malaysian experience clearly shows that government interference does not guarantee the inviolability of economic empowerment. It may, thus, be concluded that the issue may be more complex than merely whether governments should intervene or not as it has been proved that governments are unreliable custodians of the economic interests of the previously disadvantaged.

The next section discusses the historical perspectives on economic empowerment by focusing both on the epoch-making trajectory of Afrikaner economic empowerment and on the early economic empowerment experiences of Malaysia.

2.2 HISTORICAL PERSPECTIVE

The central theme of the preceding section was that the concept empowerment may be viewed using different lenses and, thus, the concept may assume different meanings in different situations. In other words, people tend to follow different paths to empowerment because they use different lenses which then inform their assumptions of what truly constitutes empowerment. It became extremely clear from the above elucidation of the two notions and models that the concept of “empowerment” has been applied in many countries and settings and also in different ways. It may, therefore, be inferred from the discussion in the previous section that it is not possible to circumscribe both the meaning and the application of the concept by the South African experience.

It is argued that the application of the concept of economic empowerment is not new to post-1994 democratic South Africa. The roots of economic empowerment in South Africa may be traced back to the rise to power of the Nationalist Party during the 1940s. The economic empowerment of the Afrikaner became the watchword for the new government. The factors that may perhaps have induced the National Party to make Afrikaner empowerment priority are explored below.

Whereas the hegemony of white society and discrimination against other race groups has been a feature of South African life since the advent of the Union of South Africa in 1910, the National Party government engineered and perfected the system of apartheid through a series of laws (Esman, 1987). Briefly, apartheid stratified the society in terms of race with Africans forming the bottom stratum of the socio-economic ladder.

2.2.1 The trajectory of Afrikaner empowerment

Van Scheers (2010) asserted that Broad Based Black Economic Empowerment (BBBEE) is reminiscent of the rise to power of the Afrikaner National Party in 1948. The rise of the Afrikaner was epoch-making. The founding of the Union of South Africa was preceded by a myriad of internecine conflicts and wars between the various population groups, including those between the Afrikaans and English speaking people (Giliomee, 2008). Prior to 1948 and specifically following the defeat of the Boers in the Anglo-Boer War and the Great Depression that gripped the world in the 1930s, the Afrikaners were treated in an extremely callous way by the English speaking whites and were reduced to a piteous and deplorable state. In fact the state of the Afrikaner resonated with the powerlessness endured by black people prior to 1994. Several Afrikaners were forced to leave their farms in search of jobs in

the urban areas with many reduced to taking unskilled jobs on the mines. The scale of poverty within the Afrikaner community gave rise to the notion of “helpmekaar” (help each other) (Seeking & Nattrass, 2011).

The wealth disparities between the Afrikaans and English speaking people were extremely pronounced with the former being relegated to the bottom rung of the socio-economic ladder of the white population (Esman, 1987). A group of wealthy Afrikaners came together to establish a short term insurance business that could provide loans and credits to the Afrikaners who were excluded by the English controlled banks. They first formed the Suid Afrikaanse Nasionale Trust en Assuransie Maatskappij (Santam). This was followed by the formation of a second business known as the Suid-Afrikaanse Nasionale Lewens-Assuransie Maatskappij Beperk (Sanlam). Both the funding and the operations of these organisations were limited to the Afrikaner population. Sanlam subsequently funded a number of Afrikaner business initiatives (Esman, 1987, Chabane et al., 2006).

Giliomee (2008) referred to two paths to economic empowerment that may be taken by a disadvantaged group. He asserted that the first path was similar to the Afrikaner case where there was a general ethnic mobilisation with the economic advancement of the group being linked to the pursuit of political power. Giliomee (2008, p. 766) averred that the “economic mobilisation did not receive much direct state aid and did not impose serious burdens on the economically dominating group”. According to Giliomee (2008), the second path is state driven and may be associated with post-apartheid South Africa and Malaysia’s government interventions. However, as is argued later in this section, the Afrikaner economic empowerment was, up to a point, privately driven by Afrikaner entrepreneurs although the massive economic empowerment of the group had been preceded by the National Party gaining power through democratic means in 1948. The economic empowerment of the Afrikaners is seen as the most dramatic case on record of a government using political power for ethnic, economic advancement (Esman, 1987). It may, therefore, be argued that the group’s significant economic empowerment became a reality with the allocation of considerable state resources to Afrikaner schemes and ventures. Eventually the National Party policies also deprived the blacks of all economic opportunities (Battacharya & Lowenberg, 2010).

In pursuit of their dream of delivering poor Afrikaners from acute poverty, the economic mobilisers planned their businesses around three main objectives, namely, (1) making profits for the shareholders, (2) promoting the collective advancement of the Afrikaners and (3) helping poor Afrikaners by offering them respectable jobs (Giliomee, 2008).

Having assumed power the National Party government unwaveringly intervened in the economy in order to assuage the problem of poor whites, specifically Afrikaners (Esman, 1987). The trapped empowerment project of *volkskapitalisme*, which had not made headway because of the limited resources at the disposal of the Afrikaner prior to 1948, was given a momentous boost by the ascendancy of the Nationalist Party to state power (Ponte, et al., 2007). According to Ponte et al. (2007), rapid Afrikanerisation ensued as the state's resources were systematically deployed to cultivate Afrikaner wealth.

The various branches of the state were used to leverage the state's interests over private business (Ponte et al., 2007). The more specific economic empowerment schemes implemented included the long-envisaged state business being directed to Afrikaner banks and the state assuming a more prominent role in the areas of post, communications, electricity and transport (Esman, 1987; Ponte et al., 2007). The Afrikaner benefited through both direct employment and procurement in these areas. The two state owned corporations or parastatals of Eskom and Telkom as well as Sanlam and other Afrikaner founded and nurtured commercial entities are examples of how the Afrikaners benefitted from the state (Seekings & Nattrass, 2011). The issue of government preferential treatment was exemplified by Sanlam's contract to write group life assurance policies for civil servants which allowed the organisation's agents first access to government employees in order to sell policies (Giliomee, 2008).

Thus, the political victory of the Afrikaner signified the dawn of a new era characterised by decisive interventionist economic policies that sought to elevate Afrikaners from their subordinate economic position (Battacharya & Lowenberg, 2010). Sanlam, as an Afrikaner business organisation, became one of the prime beneficiaries of the rise of the National Party to political power. It spawned institutions such as Volkskas, which was the banking vehicle of the South African government and controlled the government's pension funds and many other companies such as the Checkers retail outlets.

At the same time, as the Afrikaner empowerment was implemented, consolidated and perfected, the majority of the country's people were denied basic human rights such as the right to vote. For the majority of the South African population the rights to education, jobs and economic opportunities were limited (Seekings & Nattrass, 2011). The apartheid policy created a system of racial capitalism that preyed on blacks and confined them to the fringes of the national economy (Ihederu, 2004). Through the promulgation of endless laws and the systematic application of apartheid at all three tiers of government (national, provincial and

local), successive Afrikaner governments created one of the most unequal societies in the world (Acemoglu, Gelb, & Robinson, 2007).

The white segment of the South African society had the benefit of more privileges and opportunities relative to other social groups. A considerable body of legislation denied blacks access to education and jobs and, as a result, created labour shortages which were not conducive for economic growth (Bhattacharya & Lowenberg, 2010; Duflo, 2012). Legislation as wide-ranging as the Mines and Works Act, Act No 12 of 1911, as amended, the Bantu Education Act, Act 47 of 1953 and the Extension of University Education Act, Act No 45 of 1959 barred blacks from certain skill categories and ensured inferior trained or educated black people. Blacks were restricted to the cheap, unskilled labour categories.

It has been argued that the economic costs of sustaining apartheid were exorbitant. Apartheid labour market policies such as job reservation, separate and inferior education for blacks and influx control created an acute shortage of skilled labour (Bhattacharya & Lowenberg, 2010). In addition, both the international condemnation of apartheid policies as repugnant and the ill-conceived economic policies such as the decentralisation of the manufacturing industry, tariff protection and the high import content of capital goods strained the balance of payments. This contributed significantly to current account deficits (Bhattacharya & Lowenberg, 2010).

Economically, the policy of apartheid resulted in lower levels of inputs in terms of both human and physical capital and a greater share of government consumption expenditure in gross domestic products (GDP). It also limited economic growth because it was costly to maintain while less tax revenue was collected because of concessions to companies located in the Bantustans (Bhattacharya & Lowenberg, 2010; Butler, 2011). Decades of deliberately ensuring an abundant supply of cheap black labour by placing restrictions on what blacks were permitted to do circumscribed the pool of skilled labour on which the country could rely. Blacks were forced to remain on the periphery of the mainstream economy as various laws made it impossible for them to access good education, lucrative jobs and opportunities for business (Butler, 2011; Lundahl, 1982; Tangri & Southall, 2008).

Both the proponents and sympathisers of the tyrannical system of apartheid make dubious assertions that exaggerate the economic efficiency and growth that followed the systematic implementation of apartheid. Bhattacharya and Lowenberg's (2010) work is but one of the exceptional studies that painstakingly grappled with the issue of whether the economy of South Africa flourished under apartheid. The study used and relied on empirical data to

debunk the myth about South Africa's economic performance under the apartheid regime. Compared with similar countries in the years following the inception of apartheid, South Africa's gross domestic product (GDP) per capita was lower until the end of apartheid. As Bhattacharya and Lowenberg (2010) and Wittman (2012) articulated, although statutory apartheid ended in 1994, the burdens created by the legacy of years of white domination and racial separation have compromised economic performance deep into the post-apartheid era.

In addition to the factors identified above, a plethora of factors may be used to explain the poor economic growth and economic inefficiency in apartheid South Africa. These are by no means limited to the following factors as identified by Bhattacharya and Lowenberg (2010):

- Low levels of investment and decrease in foreign capital inflow due to the uncertainties of apartheid. This, in turn, contributed to low growth rates.
- Foreign lenders withdrawing credit as a result of the unrest in South Africa.
- The security and defence costs of apartheid reduced the share of investment in GDP
- Current account deficits grew as a result of the decreased foreign capital inflows and the depletion of foreign exchange reserves which were accompanied by the government curtailing imports by devaluing the currency
- Apartheid education policies were, by design, a reflection and an embodiment of the government's low rates of investments in human capital and, especially, in black labour. Shortages of both skilled and unskilled labour resulted from the job reservation and influx control which created the migrant labour system which proscribed blacks from entering certain occupations. This limited the availability of labour and led to a high labour turnover and high costs of training.

Although the system of apartheid was unique to South Africa it has been frequently noted that many countries of the world were, and some continue to be, afflicted by discriminatory political systems and practices (Bhattacharya & Lowenberg, 2010; Singh, 2012). The remnants of such systems include racial, ethnic and gender polarisation and tremendously unequal societies (Dillon et al., 2014; Harlow et al., 2012). Wittmann (2012) noted that post-apartheid South Africa is still confronted by the vestiges of institutionalised racism or discrimination. Whereas the 1994 democratic elections signified the demise of statutory discrimination, the subordinate economic position of those who had been disenfranchised for decades did not disappear immediately (Van Scheers, 2010). However, this line of argument should neither suggest an obliviousness to nor ignorant feigned posturing at the billions of

rand unaccounted for through the misappropriation, corruption and maladministration in successive, post 1994, democratic South African governments (Emuze & Adlam, 2013; Hart & Padayachee, 2013).

The issue of Afrikaner economic empowerment exemplifies a contemporary, interventionist state being put to use for explicitly ethnic, economic objectives (Esman, 1987). It may be concluded that the government-led Afrikaner economic empowerment, although not directly guided by a piece of specific legislation, was effectively implemented by virtue of the various discriminatory laws that sought to protect and advance white privileges as well as the government practices that tended to favour Afrikaner interests. Accordingly, the existence or non-existence of overt legislation is not a sufficient indicator of either the presence or absence of a government's economic empowerment strategies and programmes (Bhattacharya & Lowenberg, 2010; Esman, 1987).

In accordance with the constitutional dictates, the first democratically elected government in South Africa espoused policies that sought to redress past imbalances so that the newly found political freedom and choice could be exercised contemporaneously with social and economic freedom and choices. Section 9 of the Constitution of the Republic of South Africa Act of 1996, referred to as the Equality Clause, stipulates that equality includes the full and equal enjoyment of all rights and freedoms. It further states that, in order to promote the achievement of equality, legislative and other measures designed to protect or advance persons, or other categories of persons disadvantaged by unfair discrimination, may be taken. The issue of economic empowerment in post-apartheid South Africa and the way in which it compares with other modern perspectives are elucidated later in this thesis. The next section addresses the Malaysian experience.

2.2.2 A glimpse of the Malaysian experience

Malaysia became an independent country in 1957. The New Economic Policy (NEP) was initiated in 1970 as a response to both the extreme poverty in the country, especially among the indigenous Malay people (*Bumiputeras*) and the inter-ethnic tension emanating from the huge, ethnic, economic disparities that typified the country (Tyson, 2011). The catalyst for the drastic economic policy change may be found in the 1969 race riots which were fuelled by the acute poverty and enormous economic disparities between the Chinese and the indigenous Malay people, with the latter being at the bottom of the socio-economic ladder (Aziz, 2012).

Malaysia's economic empowerment of the indigenous Malay people was directed by specific interventionist and distributional government policies and legislation. The thrust of the distributional policy was two-pronged, namely, to reduce and, eventually, to eradicate poverty, regardless of race, and to restructure the Malaysian society in such a way so as to eliminate the identification of race with economic function (Jomo, 2004; Ramli, Kamarunzaman, & Ramli, 2013).

The latter goal of restructuring society identified four specific issues that were to be addressed (Doraisami, 2012). The first issue involved curtailing the income inequities between Malay and non-Malays and raising the income levels of the less developed states. Secondly, the strategy aimed at effecting changes in the employment patterns to make it possible for the Malays to be represented in the higher-earning professional and technical occupations in order to reflect the country's demographics. Thirdly, the strategy aimed at increasing the indigenous Malay's corporate ownership and control to 30%. Lastly, the strategy aimed at creating a Malay commercial and industrial community by increasing Malay ownership of and participation in the small scale commercial and service sectors (Doraisami, 2012; Yeoh, 2013).

The economic growth path in Malaysia is distinguished by several policy phases. For example, the NEP was associated with the First Outline Perspective Plan (OPP) which was implemented during the period 1971-1990. The NEP was then replaced by the National Development Policy which was associated with the Second Outline Perspective Plan for 1991-2000. Subsequent to this, the National Vision Policy connected to the Third Outline Perspective Plan for 2001-2010 was adopted. The thrust of the latter two policies included rapid economic growth, industrialisation and structural change (Jomo, 2004). However, it is believed that the fundamentals of the NEP continued to be embodied in the economic policies of Malaysia beyond the OPP (Doraisami, 2012; Gomez, 2012).

The NEP included precise and unambiguous policy targets. For example, as regards the eradication of poverty, the NEP policy had as its objective the reduction of poverty from 49% in 1970 to 16% in 1990 in Peninsular Malaysia. In order to restructure the economic life of the Malaysian society, the policy contemporaneously sought to increase the corporate stock ownership of the indigenous Malay people from 1.5% in 1969 to 30% in 1990 (Jomo, 2004).

Despite numerous challenges such as the credibility of the data provided by the government and the intricate nature of poverty measurement as well as the contentious manner in which the government measured poverty, it is believed that there was evident poverty reduction in

the country (Doraisami, 2012). As regards the restructuring of the society, the NEP resulted in an increase in both the capital ownership and representation in professional occupations of the indigenous Malay people (Jomo, 2004). Despite the fact that the forecasted policy targets were not met, wealth creation among the previously marginalised was also visible (Ramli et al., 2013).

The Malaysian government's economic policies were critical in terms of influencing corporate ownership, education and employment opportunities, among others. However, the policies appeared to explicitly favour the *Bumiputeras* or the indigenous Malay and triggered resentment on the part of those who viewed the policies as exclusive or favourable only to the *Bumiputeras* (Doraisami, 2012; Jomo, 2004). For example, the 1975 legislation known as the Industrial Coordination Act (ICA) introduced stricter business licencing and business organisations were compelled to put aside 30% of the corporate equity for the indigenous Malay interests. The same legislation required foreign business organisations to bestow 70% of ownership on Malaysians with a minimum of 30% to be awarded to the indigenous Malay people or the *Bumiputeras* (Ramli et al., 2013). In addition, the non-Malay organisations had to take measures to ensure that they complied with the required demographic representations. These policies clearly had implications for organisations, especially foreign organisations wanting to invest in Malaysia (Chan, 2012).

The government effected resolute economic interventions through the NEP. State-owned enterprises were pivotal in increasing the participation of the Malay. For example, the Permodalan Nasional Berhad (PNB) was central in identifying organisations with sound potential for growth and set up Amanah Saham Nasional (ASN) to buy PNB assets at cost and then sell them to Malay people (Doraisami, 2012). This promoted the participation of the indigenous Malay people in the economic mainstream.

Despite the experience of several recessionary periods, Malaysia did not abandon the NEP. However, certain radical policy alterations were effected. The government adopted privatisation as some of the public utilities were not financially viable and this was imposing a financial burden on the state. Privatisation was geared towards accelerating economic growth, promoting competition and efficiency, reducing the financial and administrative burden on the state and stimulating private entrepreneurship and investment (Chan, 2012; Patel & Graham, 2012). However, the shares of the privatised organisations were under-priced, thus denying the state significant revenue. Nevertheless, even in the privatisation drive, the interests of the *Bumiputeras* were safeguarded (Doraisami, 2012).

The thrust of the Malaysian economic policies as encapsulated in the NEP and subsequent policies is sometimes equated with the economic empowerment of the *Bumiputeras* (Doraisami, 2012). In multi-ethnic societies, especially where ethnic differences coincide with economic inequalities, such policies have been censured because of their alleged partisan orientation and are resented by the groups that are not targeted. In addition, they have often been associated with ethnic strife and conflict (Gomez, 2012; Jomo, 2004). Gomez (2012) referred to the vertical and horizontal perspectives of policies that address the needs of the people. Vertical policies tend to adopt a more universalist perspective that advocates addressing the needs of all people in need, irrespective of their ethnic affiliation. On the other hand, the horizontal perspective promotes identifying inter-group inequality and targeting the ethnic groups that are in the most need of help (Gomez, 2012). Successive Malaysian governments have considered economic empowerment as a viable policy and have regarded the Malay as the prime beneficiaries of such a policy.

It is possible to distinguish equivalences and dissimilarities between the experiences in Malaysia and in South Africa. This does not, however, imply ignoring the potpourri of material conditions in the two countries, including the ascendancy of the neoliberal and the globalisation rhetoric, the economic recessions experienced by both countries and the political dynamics unique to each country (Harlow et al., 2012; Molla, Adam, & Murad, 2011).

One of the extremely distinctive features of the Malaysian economic empowerment has been the way in which successive governments have treated the economic empowerment of the *Bumiputeras* as a political matter. Specific legislations were used to implement economic empowerment of the *Bumiputeras* in Malaysia (Aziz, 2012; Doraisami, 2012). In South Africa, while economic empowerment legislation still exists, it is argued that the South African government has removed economic empowerment from the political agenda and relegated it to the level of an administrative and technical issue (Ponte et al., 2007).

The implementation of the Malaysian restructuring or economic empowerment plan has been criticised for the fact that state and privatised projects have been awarded to Malay connected to the ruling political party, UMNO. For example, the economic empowerment plan was alleged to have been awarded without the benefit of a proper and independent body (Gomez, 2012). Similar criticisms have been levelled against the implementation of the plan aimed at economically empowering the previously disadvantaged people in South Africa. The attack on black economic empowerment has been two pronged: (a) by virtue of focusing on the previously disadvantaged segments of the South African society, the black economic empowerment is interpreted as being exclusionary and (b) it has been seen as

awarding economic empowerment projects to the ruling African National Congress (ANC) (Arya & Bassi, 2011). These experiences resonate with the experiences in Malaysia.

The activities of 'Ali Baba-like businessmen' took place during the implementation of the empowerment plan and some Malay businessmen were accused of taking for granted the assistance provided by the Malaysian Government (Gomez, 2012). The 'Ali Baba system' refers to a situation whereby indigenous Malay organisations (Ali) obtained a contract from government's economic empowerment system for the Bumiputera and subcontract it to ethnic Chinese-owned organisation (Baba). A new generation of Chinese businessmen discovered rapid wealth in 'rent-seeking' alliances with Malay bureaucrats, top military personnel and members of the royal families who were invited to participate as shareholders in the alliances. Thus, some Chinese businessmen were able to procure licenses, permits and contracts and embark on business ventures regulated by the state by exploiting important sources of Malay capital such as Pernas, PNB and Peremba Berhad (Gomez, 2012).

As a result the Chinese were reluctant to invest in Malaysia while some withdrew their assets from the country and moved them to other countries such as Indonesia, Hong Kong and Singapore (Gomez, 1996). In addition, there was a considerable number of *Bumiputeras* in the top business positions although the functional company directors were predominantly Chinese while the *Bumiputeras* functioned in symbolic capacities only (Gomez, 1996). The *Bumiputeras* who wanted to get rich quickly preferred to collect rentier profits as frontmen for the Chinese without being actively involved in business. This was known as 'Ali-Baba' relationships (Means, 1976).

The Chinese were often reluctant to enter into joint ventures with Malay people as many of the latter expected to be funded on easy terms. However, interethnic business coalitions became increasingly important over time, often with ethnic Malays securing rents for gaining access to government-determined business opportunities while the ethnic Chinese partners who had access to capital and business acumen were doing the actual work. Such joint ventures have generated considerable resentment, especially among those denied access to such business opportunities (Tyson, 2011). Similar sentiments regarding business ventures between whites and blacks have been expressed in South Africa with issues of window dressing being widely reported in the country (Butler, 2011; Du Toit, Kruger, & Ponte, 2008).

During the 1970s and 1980s Malaysia experienced rapid economic growth with some of the goals of the NEP being advanced. However, it is also argued that more, especially regarding poverty eradication, could have been achieved if government waste had been minimised and government allocations used for their bona fide purposes instead of enriching politicians.

In conclusion, it may be observed that the trajectory for the economic empowerment of the Malay people and that of the Afrikaners have in common decisiveness in terms of government interventions. However, the Malaysian economic empowerment was governed by extremely specific government suasion and legislation. The experiences from the early years of both Afrikaner and Malaysian economic empowerment provide some basis for a comparison with the contemporary South African economic empowerment trajectory. The experiences of the Afrikaners and the Malay people are important reference points as economic empowerment constitutes a significant context in terms of an investigation into trust in alliances between TCs and HDIs in South Africa.

2.3 CONTEMPORARY PERSPECTIVES

At the beginning of the 1990s the National Party government in South Africa adopted a conciliatory stance and shifted its views on social relations and the coexistence of social groups to the point of challenging the very foundations of apartheid (Hart & Padayachee, 2013). The conciliatory stance has been attributed to an array of social, economic and political factors, including internal social unrest and international solidarity against apartheid. The economic pressures included the growing current account deficit and decreased foreign capital inflows (Ponte et al., 2007). The transition to democracy took place in 1994 and South Africa saw the end of statutory apartheid. However, the new government and state had to contend with the legacy of apartheid in terms of the massive economic disparities between the various racial or social groups (Acemoglu et al., 2007).

The post 1994 period has witnessed concerted and multifaceted efforts by the South African government to facilitate the economic empowerment of the previously disenfranchised people who are at the bottom rung of the socio-economic ladder of society (Arya & Bassi, 2011). However, for the majority, political freedom had not signified economic freedom (Du Toit et al., 2008). At a socio-economic level economic empowerment has meant widening the economic base so that it is inclusive of the various population groups. According to Ponte and Van Sittert (2007), in the context of post 1994 South Africa, the vast majority of the people had expectations that political freedom would ameliorate economic hardships. Accordingly, the government initiated policies that aimed at increasing the participation of the

previously disadvantaged in the economic mainstream through legislation as diverse as the National Empowerment Fund Act (1998); Competition Act (1998); Preferential Procurement Policy Framework Act (2011) and Black Economic Empowerment, among others (Ponte & Van Sittert, 2007).

The concept of economic empowerment has been applied in diverse settings, ranging from the non-legislated, voluntary measures akin to those initiated by socio-economic development organisations such as non-governmental organisations (NGOs) and the macro-credit loan schemes common in India to the formalised and legislated economic empowerment policy initiatives such as those in South Africa and Malaysia (Batliwala, 2007).

The thrust of the discussion in this section is on the decreed and government sponsored economic empowerment policies in South Africa and elsewhere. However, this does not imply that the non-legislated empowerment initiatives do not have the desired impact on the lives of the marginalised or previously disadvantaged people. On the contrary economic empowerment is viewed as a multifaceted process that requires a multi-pronged approach in order to effectively empower the previously disadvantaged (Van Jaarsveld, 2005). The section will focus on other non-decreed empowerment initiatives, albeit cursorily, because the central purpose of the discussion is to elucidate the contemporary South African perspective and applications of economic empowerment and scrutinise these applications *vis-à-vis* earlier experiences in South Africa and elsewhere in the world.

Black Economic Empowerment (BEE) emerged as a concept in South Africa in the early 1990s (Emuze & Adlam, 2013; Dillon et al., 2014). Initially BEE was regarded as a policy that endeavoured or was geared to increasing black control of the economy through black ownership of shares in major business corporations. However, Ponte et al. (2007) maintained that the issue of the rationale behind BEE has been framed differently by different groups with varying interests: (a) BEE has been seen as facilitating the socio-economic functioning of a society that, because of historical reasons, was in danger of imploding; (b) BEE has also been viewed in terms of the formation of a black capitalist class that would provide legitimacy to the neoliberal economic and political system in South Africa and, *ipso facto*, the white capitalist class and (3) BEE has also been regarded as providing the linkages between the black capitalist class and the ruling elite which may give rise to a corrupt and nepotistic governance system. Nevertheless, whatever the notion advanced, the different framings are the consequence of the incessant discourse and debates on black economic empowerment as well as a reflection of stakeholders' understanding or perception of what black economic empowerment represents (Pate & Graham, 2012). The varying

perceptions may foster the perception that black economic empowerment is an amorphous concept and tool. It is for this reason that Ponte et al. (2007, p. 936) proposed that understanding the essence of black economic empowerment may lie in “dissecting rhetoric devices and discourses from the actual policy levers applied and the interests ultimately benefitting from BEE”.

The process of the economic empowerment of the previously disadvantaged began in earnest in the early 1990s. A number of traditional companies and conglomerates listed on the Johannesburg Stock Exchange (JSE) unbundled parts of their businesses and sold their stakes to black consortia (Ntim & Soobaroyen, 2013; Ponte et al., 2007). For example, Sanlam sold its stake in Metropolitan Life to a black owned consortium; Anglo-American sold control of Johannesburg Consolidated Investments (JCI) to the entrepreneur Mzi Khumalo while a few other JSE listed companies sold a number of their equity stakes to black investors. The majority of these equity acquisitions made by black empowerment structures were based on loans from the traditional companies (TCs) and, thus, many of these black empowerment organisations were highly indebted as they had borrowed money to purchase their shares. Such loans implied that the real control resided with the established organisations or TCs (Tangri & Southall, 2008; Ward & Muller, 2010).

The miniscule black economic empowerment progress which had been made was shattered in 2002 when a draft of the Mining Charter was leaked (Beall, Gelp, & Ponte, 2008). The leaked document revealed, to the disgruntlement of capital, that the government planned to increase black ownership in the mining sector to 51%. BEE ownership of the JSE was reduced from about 7% to approximately 2.2%, thus revealing the fragility of the foundations of black economic empowerment (Beall et al., 2008). The decline of the stock market inevitably impacted adversely on the share price performance. The highly indebted black empowerment structures were now faced with the problems of the declining stocks as well as the rising interest rates. These two problems then debilitated the capacities of these empowerment structures to service their debts because they were heavily reliant on the flow of the dividends to do so (Tangri & Southall, 2008). In addition to the economic performance of some of these empowerment ventures, the perceived association of BEE with cronyism and the lack of broad-base continue to abound (Patel & Graham, 2012).

The floundering of BEE led to the appointment of a BEE Commission to address the perceptions of its flaws and to provide definitions and processes or what Ponte et al. (2007) referred to as the “clarification and codification of BEE”. This ‘clarification’ and ‘codification’ inadvertently detached BEE from the political agenda and transplanted it to the discussions

on technical and system performance. The implications of this detachment are elaborated on in the next section – Critical Evaluation and Synthesis.

The BEE Commission also contributed significantly to the concept of Broad-Based Black Economic Empowerment (BB-BEE). Briefly stated, the indictment against BEE has been that it was not broad-based. Despite the persistent and acute poverty of the vast majority of South Africans, BEE favoured the black political elite and also a few others who had connections with this elite (Iheduru, 2004; Tangri & Southall, 2008). The broad-based black economic empowerment policy espoused by the government is intended to disentangle the economic monopoly enjoyed by one section of the society and, thereby, to deracialise the economy so that the previously marginalised people and not just a minute section of the elite may participate in a more inclusive economy (Emuze & Adlam, 2013; Patel & Graham, 2012).

Following the broadening of black economic empowerment various charters delineating strategies for increasing the involvement of the previously disadvantaged in specific industries were developed (Juggernath et al., 2011; Ponte et al., 2007). In industries in which state ownership prevailed, such as of mineral resources, progress towards developing and implementing charters was accelerated because many of these companies relied on licences granted by the state to continue their operations, for example, mining (Ponte et al., 2007). The state could, therefore, use its leverage through the issuing of licences to exert an influence on the economic transformation of the country. This issue is further discussed in the next section which also focuses on the limits of the South African state's ability to leverage its position.

The discussion above suggests that, as regards theory and practice, much may be acquired or borrowed from the literature on psychological empowerment and tested or absorbed into the literature on economic empowerment theory and practice. In view of the relatively precise nature of its conceptualisation, psychological empowerment theory, particularly in terms of its four dimensions, has much to contribute to the debate on economic empowerment. In this regard, the role of industrial and organisational psychology becomes pivotal. After exploring the concept of economic empowerment and its models and elucidating the historical and contemporary perspectives and applications of economic empowerment, this chapter concludes by reflecting on business alliances as vehicles for economic empowerment and contemplates the significant role of industrial and organisational psychology within the economic empowerment domain.

2.4 CRITICAL EVALUATION AND SYNTHESIS

This section critically analyses some of the similarities and divergences between the trajectories of Afrikaner and Malaysian economic empowerment, as discussed earlier, and also the contemporary empowerment applications. In undertaking this critical analysis, the focal point of the discussion is the current BEE vis-à-vis both the home-grown model which was enacted by the South African National Party government to benefit the Afrikaner people and experiences elsewhere in the world, specifically in Malaysia.

Afrikaner economic empowerment aspirations and initiatives were born out the subjugation and domination of the Afrikaner by the English. As previously stated, prior to 1948 the condition of many in the Afrikaner community was both piteous and deplorable (Giliomee, 2008; Seeking & Nattrass, 2011). Similarly, the economic empowerment of the Malay people in Malaysia and blacks in South Africa was necessitated by the decades of under-development that had left them at the periphery or margins of the economy (Doraisami, 2012; Tyson, 2011). Thus, in all three instances the economic empowerment initiatives were designed to favour the targeted group or groups at the margin of the economic life of the country.

While there were political nuances attached to the adage of 'helpmekaar', the Afrikaners had used it even prior to the rise of the National Party to state power (Hart & Padayachee, 2013; Esman, 1987). The entrepreneurial and certainly ideological initiative was taken by a group of wealthy and educated Afrikaners to form business organisations that had, as their sole purpose, the provision of loans and credits to the Afrikaners who had been excluded by the English controlled banks (Giliomee, 2008; Hart & Padayachee, 2013). These initiatives were a response to the economic state of the Afrikaner, particularly the overwhelming poverty of many who had left their rural homes in search of a better life in the urban areas. These Afrikaner economic empowerment initiatives are exemplified by the founding of Santam and Sanlam as early as 1918 (Hart & Padayachee, 2013).

One may juxtapose this earlier Afrikaner response to economic marginalisation with the decades of subjugation endured by black people in South Africa and their marginal economic role. It may be suggested that blacks did not initiate comparable ventures to shake off their economic shackles or circumvent the economic obstacles presented by apartheid. What initiatives were taken by black people to ameliorate their economic plight, especially the plight of poor and poverty stricken blacks, and how did they respond to their economic marginalisation by the white minority government? Did they form business ventures that

could elevate blacks to a sound economic position? What may be learnt from the Malaysian and Afrikaner economic empowerment policies and implementation? The essence of these questions lies in reflecting on the way in which blacks responded to the economic conditions of the time and to juxtapose their responses with those of the Afrikaners and others elsewhere.

The significance of evaluating South Africa's historical experiences, current BEE and experiences elsewhere in the world rests in identifying and illuminating the divergences and similitudes in the conceptualisation and implementation of economic empowerment (Davies, 2012; Esman, 1987)

The notion of 'helpmekaar', as discussed earlier, indubitably illustrates that economic empowerment was part of the Afrikaner's lexicon even prior the National Party assuming state power (Davies, 2012). When the National Party formed the government in 1948 the ideological content of their economic empowerment was inexorable. They were brought overwhelmingly into power by the Afrikaner vote which was based partly on the promise of delivery of economic empowerment. Afrikaner economic empowerment gained impetus through growing institutions such as Sanlam and Rembrandt which were able to compete with their English counterparts (Seekings & Nattrass, 2011).

It may be argued that blacks under apartheid did not initiate ventures equivalent to those initiated by Afrikaners. It may also be contended that blacks did not form organisations that could have ameliorated the economic adversities suffered by their communities during apartheid rule. Nevertheless, these assertions are sometimes refuted by claims that, under colonialism and apartheid, the conditions and various laws militated against blacks assuming any meaningful economic role (Seekings & Nattrass, 2011). References to the internecine conflict involving the various social and/or race groups and the plethora of legislation that prescribed where blacks could live and reside, what they could own and where, where they could work and what work they could do and where they could study may be cited to illustrate the limited range within which blacks could function during apartheid rule (Seekings & Nattrass, 2011).

Under apartheid the different race groups were classified into different strata with whites at the apex (Davies, 2012; Esman, 1987; Seekings & Nattrass, 2011). The other race groups identified were Coloureds, Indians and Africans. Apartheid distinguished between these groups and rights and privileges were conferred on the basis of race with Africans at the bottom (Seekings & Nattrass, 2011). As Ponte et al. (2007) noted, black business developed

in the limited areas in which they were allowed to operate with apartheid's differential provisions further widening the economic disparities within the black groups. In the early 1960s changes in regulations allowed Coloureds and Indians to engage in business activities in urban areas with the proviso that this did not mean competition with white business (Ihederu, 2004). However, further and more stringent restrictions were imposed on Africans who were permitted to engage only in small-scale trading in daily consumables such as bread and tea (Ihederu, 2004). It may, therefore, be concluded that, under white domination, black people did not initiate economic ventures comparable to the Santam and Sanlam of yesteryear but that prevailing conditions also partially militated against such initiatives.

The Afrikaners economic empowerment trajectory has been discussed above. A further feature distinguishing the Afrikaners' economic empowerment initiatives from other such initiatives was the decision to use levers of state power to create one of the bold and decisive empowerment plans which were guided by the decisive interventionist economic policy and coherent strategy adopted by the National Party government (Seekings & Nattrass, 2011).

In contrast, the inclination and commitment of the post-1994 South African government to use the levers of state power to further black economic empowerment has been shown to be generally insubstantial and even modest in industries in which it supposedly has leverage in terms of the government being the licencing authority (Ponte et al., 2007). In theory, the state has the power to effect redistributive policies by means of the allocation of licensing and exploitation rights and quotas in certain sectors of the economy. For example, in the mining, energy and fishery industries the state may be said to have leverage because the organisations in these sectors rely on government certificates to continue with their operations (Ponte et al., 2007). However, the reality is that the issue is more complex than it is intimated to be as the government's economic policy and commitment to redistribution as well as ownership of the economy, among others, may impact on the degree of government intervention (Du Toit et al., 2008).

It has already been mentioned in this chapter that, in 2002 when it was revealed that the government planned to increase black ownership in the mining sector, there was a major decline in both the stock market and the share price (Beall et al., 2008). The significance of this specific reaction in the mining sector illustrates that, despite the potential power or influence that the South African democratic state may have, business in this sector still retains power (Du Toit et al., 2008). This is far removed from the Afrikaner experience after

1948 National Party's rise to political power in 1948 and as discussed earlier in this chapter. Black economic empowerment in the post-apartheid South Africa may be seen as lacking the exuberance, vision and creative approaches required to circumvent the impediments it encounters (Butler, 2011).

The apartheid government used the levers of state power to make unwavering decisions that established massive and monopolistic state corporations or parastatals in such diverse areas as electricity, telecommunications and iron (Hart & Padayachee, 2013). These institutions were designed to serve Afrikaner interests (Seeking & Nattrass, 2011). The considerable government-driven economic empowerment through state business with Afrikaner banks and procurement may be regarded as constituting interventionist policies (Ponte et al., 2007).

The worst cases that tend to impact adversely on black economic empowerment have been widely reported. These include TCs using HDIs as fronts and window-dressing, mobile black executives, rent-a-black, "ghost" or "freelance" black directors and managers in a bid to procure or acquire contracts from government and other state-owned enterprises (Beall et al., 2008; Iheduru, 2004; Van Scheers, 2010). In Malaysia, some of the Bumiputeras functioned in symbolic capacities only (Gomez, 1996). The *Bumiputeras* who wanted to get rich quickly preferred to collect rentier profits as frontmen for the Chinese without being actively involved in businesses. In South Africa this may be compared to some TCs misrepresenting their credentials and manipulating historically disadvantaged companies and persons as a façade in order to access government tenders (Butler, 2011; Iheduru, 2004). Van Scheers (2010) reported that TCs generously offer HDIs contracts in return for acting as their black empowerment partners but, once the bid has been won, they buy their black partners out of the deal. While this may create many black millionaires instantly, it is antithetical to the long term sustainability of the economic empowerment of the previously disadvantaged and the desire for economic transformation.

The thrust of some of the empowerment policies, including black economic empowerment, has not had the desired effect as far as redistribution is concerned. One of the foremost and most widespread criticisms levelled against black economic empowerment is, essentially, that it tends to enrich the members of the political elite and their cronies (Beall et al., 2008; Iheduru, 2004; Ponte & Van Sittert, 2007). This has led to a failure to bring about the necessary socio-economic structural changes that would impact on the social and economic position of the previously disadvantaged. Briefly stated, the main indictment against BEE has been that it was not sufficiently broad-based. Despite the persistent and acute poverty of the

vast majority of South Africans, black economic empowerment has favoured the black political elite and a few others with connections to the elite (Iheduru, 2004; Tangri & Southall, 2008). Thus, cronyism may be regarded as link between the Malaysian and South African economic empowerment experiences. Nevertheless, Malaysia's economic empowerment policies have been credited for their specificity and their vigorous pursue of poverty curtailment (Ramli et al., 2013). On the other hand, the South African economic empowerment policies have only attempted to reduce poverty through short term social grants. Nevertheless, such measures may be viewed as maladaptive and dysfunctional in a country with South Africa's huge rate of unemployment and lack of economic growth.

Numerous researchers in the black economic empowerment domain have asserted that BEE is a colour concept (Janssens, Sefoko, Van Rooyen, & Bostyn, 2006; Knight, 2014; Krüger, 2011). However, Acemoglu et al. (2007) aptly observed that political freedom and equality are a necessary, but insufficient, condition to undo the inherited social and economic inequalities in South Africa. The political enfranchisement of the majority of the South Africans would not automatically ensure their participation in the economy of the country (Verhoef, 2001). The government may not ignore the majority's yearning for the redistribution of the country's economic wealth. Nevertheless, as Horwitz and Jain (2011) remarked, a reliance on market forces alone would also not stimulate the economic participation of the previously disenfranchised.

The change initiatives in the wine industry have been a controversial issue (Du Toit et al., 2008). This industry has traditionally been an Afrikaner bastion characterised by extreme black farmworker poverty and marginalisation. Recent changes in the industry have included traditional owners forming alliances with the black elite. However, in the view of Du Toit et al. (2008), these alliances have resulted in cosmetic changes that do not address the fundamental structural relations central to the poverty and marginalisation of the farmworkers. The recent changes have highlighted critical aspects of the economic transformation discourse as well as the agenda for transformation. The focus has shifted from the transformation of land and labour systems to a managerialist BEE (Du Toit et al., 2008). In practice, the problem began with BEE forming part of a portfolio of the more general technologies of ethics with ideological agendas being created through both marketing and codification technologies such as branding and image building and the introduction of codes of conduct and BEE charters. However, these issues have transferred transformation from the political to a managerial terrain so that the fundamentals of transformation remain untouched and neoliberal ideals continue to flourish (Du Toit et al., 2008).

Whilst the control of the economic resources in South Africa still rest in the hands of monopoly capital, it is also an incontestable fact that this monopoly capital is constituted mainly by the white minority segment of the population. Tangri and Southall (2008) identified the continued dominance of the corporate sector – managed and owned - by the white minority population as one of the challenges facing the South African government's policy intent of redistributing the economic resources of the country. Ponte and Van Sittert (2007) argued that the capacity of the South African government to redistribute is also limited by the extreme concentration of ownership. Coupled with the white minority population's continued dominance of the corporate sector is the fact that the state has differing powers to decisively impose redistribution on various sectors of the economy. It has already been stated that, theoretically, the locus of power as regards redistributing resources resides with the state because it is the state that allocates licenses and exploitation rights in sectors such as mining and energy (Ponte & Van Sittert, 2007). However, the government's policy oscillation between developmental and interventionist policies, as espoused in the Reconstruction and Development Programme (RDP) and the more preferred macro-economic policies that prioritised investor or business confidence and market friendliness, swung the pendulum in favour of the latter policies in the late 1990s.

This vacillation in policy culminated in the government's new macro-economic policy known as Growth, Employment and Redistribution (GEAR) and adopted in 1996 (Hart & Padayachee, 2013). GEAR was then replaced by NDP which has also been censured as a neoliberal policy which does not differ significantly from GEAR by some of the Congress of South African Trade Unions (COSATU) affiliates such as the National Union of Metalworkers of South Africa (NUMSA). However, the key attribute that distinguishes RDP from GEAR is that the former sought to redistribute existing resources whilst the latter allocates the extra resources created by higher economic growth (Hart & Padayachee, 2013; Ponte et al., 2007). In simple terms GEAR stipulates that economic growth precedes redistribution (Harlow et al., 2012) while neo-liberalism advocates that an inequality of resources should be addressed by equality of opportunity (Davies, 2012; Ponte & Van Sittert, 2007). The main thrust of the policy was job creation through economic growth so that income and economic opportunities could be redistributed in favour of the previously marginalised. This development was seen by many as curtailing the power of the state to redistribute the economic resources and as further weakening the state's levers of economic control (Ponte et al., 2007; Tangri & Southall, 2008).

Janssens, et al. (2006) referred to three pitfalls of black economic empowerment. Firstly, they referred to the risk that black economic empowerment will be of a limited scope in the sense that the white elite would be replaced by the black elite, thus negating the broad-based nature of BEE. Secondly, in the view of Janssens et al. (2006), the emergence of an empowerment that lacked depth produced black employees who were dependent on the goodwill of their employers. Thirdly, black economic empowerment was bound to be costly and also bound to fail because previously disadvantaged individuals were assigned to positions without possessing the qualifications and skills to enable them to perform. However, while this line of arguing has some merits, it is also simplistic and superficial and the issues involved are more convoluted than suggested. According to Horwitz and Jain (2011, p. 300), "Employment equity does not require an employer to take a measure that might cause undue hardship; neither to hire and promote an unqualified designated group employee nor create new positions in its workforce". The broad-based black economic empowerment policy espoused by the government is intended to reverse the economic monopoly enjoyed by one section of the society and, thereby, to deracialise the economy so that the previously marginalised people are able to participate in a more inclusive economy.

A political agenda as important as the black economic empowerment of the previously disadvantaged cannot be consigned to what Ponte et al. (2007) referred to as technical and system performance discussions. The present black economic empowerment system may work in instances where the state has the leverage to issue licenses and procurement, for example, in the mining industry (Ponte et al., 2007) but it may be less effective where the levers of control such as licenses and procurement are non-existent (Du Toit, et al., 2007). Policy statements such as the Black Economic Empowerment Commission (BEECOM) Report have located black economic empowerment as part of a broad programme of redistribution. However, the actual policy response located BEE in both voluntarist and consensual terms and there are no concrete sanctions in place for non-compliance especially in the private sector (Ponte, et al., 2007).

The South African black economic empowerment landscape comprises competing interests between established capital and black entrepreneurs. Capital, through the predominantly white South African Chamber of Business (SACOB), questioned the necessity for empowerment legislation and actually argued that the markets would not tolerate such legislation (Tangri & Southall, 2008). On the other hand, black business expressed uneasiness and displeasure at the fact that black empowerment was happening at a "snail's pace". In order to address these competing interests, the government resolved to initiate more assertive and interventionist measures such as the transformation charter and the

sectorial or industry charters with benchmarks and timeframes. For example, in 2002 the government published a Mining Sector Charter that required mining companies to transfer 51% of the mining ownership to blacks by 2012. However, the draft document was leaked and, as previously explained, this provoked a reaction on the part of capital and one which resulted in major fall in the JSE as billions were lost when the value of the mining stocks plummeted (Tangri & Southall, 2008).

This was one of the defining moments for the black economic empowerment policy. Subsequent to this the government allowed big business to comply with more modest self-regulating equity targets. The government's initiatives to balance the competing interests gave rise to the BEE strategy document which advocated broad-based black economic empowerment. This culminated in the Broad-Based Black Economic Empowerment Act (Act 53 of 2003). This Act empowered the Minister of Trade and Industry to issue Codes of Good Practice to guide companies on BEE. These Codes of Good Practice provide guidance to organisations as regards transformation standards, sector targets and the means of achieving such standards and targets as well as performance measures. The Codes also provide for formal verification procedures to ensure that organisations are in compliance with the Codes (Arya & Bassi, 2011).

In its reconfigured form empowerment encompassed seven main criteria against which business empowerment is measured. These criteria include ownership, employment equity, management representation, skills development, preferential procurement, enterprise development and corporate social responsibility.

The discussion above implicitly revealed the weaknesses or pitfalls, challenges and opportunities pertaining to the South African economic empowerment model from both a historical and a contemporary perspective. The broad-based economic empowerment of the previously disadvantaged would greatly enhance the eradication of poverty as well as authentic empowerment without cronyism and/or corruption.

However, the discussion did not reveal much about the role of black and white business alliances as vehicles for the economic empowerment of the previously disadvantaged. Business alliances between formerly white and black companies are viewed as a complex and new mode of organising. However, as has been repeatedly stated, alliances are no substitute for market competition (Pucik, 1988). As with all modes of organising, the foundation of business alliances is trust (Sklavounos & Hajidimitriou, 2011). In the South African context, it is not possible to understate the complexity of trust in such business

alliances given the country's history of social and race relations. Organisational trust is, in fact, a major big issue. Organisational trust in intra-organisational and inter-organisational relations has become a pivotal topic in the field of organisational psychology (Harris & Wicks, 2010).

The topic of trust in organisations, including in the new organisational forms such as business alliances, falls into the field of I-O Psychology, specifically the sub-field of Organisational Behaviour. Organisational Behaviour strives to study human behaviour in organisations so as to understand and manage such behaviour effectively. Thus, the focus of Organisational Behaviour is on the human aspect of the organisation at both the individual and the group levels. The construct of trust relates to the psychological domain of the business alliance relationship and, thus, research into the domain of trust requires the scientific orientation, knowledge and methodology of I-O Psychology in order to address the research problem of this study.

Research in the field of organisational trust has made remarkable progress over the years. Recognising the complexity of organisational trust, researchers made a clarion call for the study of trust in different cultures and contexts so as to enable the development of models that are unique to their settings (Andersen & Kumar, 2006; Schoorman et al., 2007). This study asserts that I-O Psychology, the discipline and practice that focus on the human aspect of the organisation, is best poised to develop a more insightful understanding of trust in alliances between TCs and HDIs in South Africa. The economic empowerment of the previously disadvantaged is explained as part of the contextual issues pertaining to the study. A further important aspect is the notion of business alliances as the focus of the study is on trust in business alliances between TCs and HDIs.

2.5 CHAPTER SUMMARY

This chapter began by elucidating the concept of empowerment. The complexity of the concept, its origins and the two empowerment perspectives were explained. The chapter also discussed two models of empowerment and related these models to the two empowerment perspectives. The role of Industrial and Organisational Psychology was succinctly reflected upon.

The concept of economic empowerment was enunciated. Afrikaner, Malaysian and contemporary South African economic empowerment trajectories were then articulated and analysed. Finally, the chapter reflected critically on the historical and contemporary perspectives of economic empowerment. This included reflecting on the advantages, challenges, opportunities and pitfalls of the South African model for businesses and society.

Chapter 3 focuses on both the concept of business alliances and the central construct of this study, namely, organisational trust. The chapter also discusses the nature and need for business alliances and, finally, the chapter presents a comprehensive review of existing literature on organisational trust.

CHAPTER 3: TRUST IN THE CONTEXT OF BUSINESS ALLIANCES

This chapter discusses the concept of organisational trust and develops a theoretical model of trust in business alliances in an empowerment domain. The existing literature in the field of trust is reviewed in order to address three theoretical aims fundamental to the chapter, namely:

- To conceptualise the construct and elements of trust and the way in which it relate to business alliances in the South African economic empowerment context
- To elucidate the interplay between organisational trust and affect
- To conceptualise the implications of the proposed theoretical model for I-O Psychology practice

Regardless of the mode of organising, be it conventional, virtual teams or an alliance, over the past decades, organisations have been forced to contend with a business milieu that is both changing and uncertain in character (Crisp & Jarvenpaa, 2013; Diefenbach, 2007; Li, 2013; Ramirez, Osterman, & Grönquist, 2013; Sheth & Parvatiyar, 1992). Thompson and O'Connell Davidson (1995) highlighted that, although environmental turbulence has been part of the (managerial) rhetoric, it has become the decisive feature of managerial discourse since the rise of the mass market. It is also clear that change and uncertainty are not new phenomena and that organisations have had to cope with change throughout their history (Dawson, 2014; Ramirez et al., 2013; Post, 1977).

In addition, organisations are now searching for growth strategies in a milieu which is characterised by intensified competition and rapid technological advances (Anslinger & Jenk, 2004; Dotsika & Patrick, 2013; Sambasivan, Siew-Phaik, Mohamed, & Leong, 2011). They are striving to improve the services they render, design products of a superior quality, increase their market share and speed up new product development (de Azevedo, Erdman, & Campos, 2014; Dotsika & Patrick, 2013; Macke, Vallejos, Faccin, & Genari, 2013; Slater, 1995; Stanek, 2004; Su, Tsang, & Peng, 2009).

At the close of the twentieth century, Parkhe (1998) described what he termed the “new global competition” as far more subtle than the old. Global competition exacerbates challenges with which organisations have to grapple in order to realise the afore-mentioned business competitiveness goals such as increased market share and design products of a superior quality (Florida, 2006). However, the notion of global competition has been

censured for its imperfections arising from the absence of or the few markets in the real world which are characterised by perfect competition (Alam, 2014; Florida, 2006; Macke et al., 2013). Nevertheless, the desirability of global competition has not been disputed although it has also been criticised for its inequitable impact and the manner in which it is seen to favour and widen the divide between the rich and the poor countries of the world (Alam, 2014; de Azevedo et al., 2014). Pirson and Von Kimakowitz (2014) advocated an alternative human-centred narrative of business which provides for a more equitable and sustainable business practice than is presently the case.

The review of existing literature on organisational change revealed the complexity and temporal dynamics that continue to beset organisational competitiveness (de Azevedo et al., 2014; Dotsika & Patrick, 2013; Macke et al., 2013). Alliances in terms of which organisations pool their risks, costs and rewards have emerged as an attractive strategy which organisations favour in their search for a competitive advantage (Bouncken & Fredrich, 2012; Choi, Garcia, & Friedrich, 2010; Granados & Knoke, 2013). During the decades before the end of the twentieth century the mode of competing no longer resembled the old “frontal attacks between direct competitors and more by the potential for flank attacks, Trojan horses, and hidden agendas, in short, ties where trust will play a growingly important role as a counterweight to the potential hazards of alliancing” (Parkhe, 1998, p. 435). The contemporary mode of competing through alliances is encapsulated in the concept of coopetition which a combination of the terms collaboration and competition and which captures the incessant tension which is typical of some alliances and whereby two organisations cooperate in some activities and simultaneously compete in others (Bouncken & Fredrich, 2012; Dahl, 2014; Park et al., 2014; Raza-Ullah et al., 2014; Wu, 2013).

In search of the elusive objective of organisational growth and competitiveness which is difficult to achieve for any one business, organisations form business alliances. They even sometimes do so with their erstwhile competitors which had upset the competitive balance (Hamel & Prahalad, 1989; Mohr, Garnsey, & Theyel, 2013; Street & Cameron, 2007; Wu, 2013). In line with Gulati (1995), Lin and Darnall (2014) defined alliances as any voluntary collaborations or inter-organisation links that encompass the sharing or exchange of resources or the co-development of technology or products. Even large global players such as General Motors and Toyota find the world’s business landscape too large and the competition too intense to operate on their own. Several organisations are turning to alliances in order to grow their businesses, especially those organisations that operate in business markets in which there are numerous competitors (Anslinger & Jenk, 2004; Eisenhardt & Schoonhoven, 1996; Mohr et al., 2013; Wallenburg & Schäffler, 2014).

However, it is important to note, in line with Pucik's (1988) notion, that alliances are not substitutes for market competition. They are, instead, perceived as a mode of organising or, in the view of Christoffersen (2013), as temporary organisations.

The number of business alliances grew significantly in the last quarter of the 20th century and have, indeed, become a reality of business life and found everywhere in the corporate landscape (Choi, et al., 2010; Grant & Baden-Fuller, 2004; Kanter, 1994; Lavie, Kang, & Rosenkopf, 2011; Omar & Mohan, 2010; Spekman et al., 1998). However, both the contemplation of a business alliance and the actual formation and management of such an alliance are more intricate than managing a traditional organisation (Anslinger & Jenk, 2004; Das & Kumar, 2011; De la Sierra, 1995; Gonzalez, 2001). The corporate landscape is littered with business alliance failures (De Bond & Bouchikhi, 2004; Choi, et al., 2010; Chung & Beamish, 2012; Das & Teng, 2000; Hunt, Lambe & Wittmann, 2002; Young-Ybarra & Wieresma, 1999). The literature on business alliances records numerous alliances that never lived up to expectation (Das & Kumar, 2010; Kanter, 1994; Mohr et al., 2013). Business alliances do not always fulfil the objectives for which they were started. Some of the key reasons for this are outlined below.

As far back as the 1970s, Zand (1972) noted that, when a group of employees works on a problem, the group tends to encounter concerns about (a) the problem itself and (b) how the members relate to each other when working on the central problem. The wide review of the literature on alliances provides agreement with Zand's (1972) assertion that the challenges of working with others encompass (a) coping with the task of the business in a complex business milieu and (b) managing relationships between organisational members or alliance partners who may be erstwhile or current competitors (Aalbers, 2010; Bengtsson & Kock, 2014; Henderson & Smith-King, 2015; Sklavounos & Hajidimitrou, 2011; Sniezek, May & Sawyer, 1990). McCarter, Mahoney, and Northcraft (2011) noted environmental uncertainty and social uncertainty as two factors that pose formidable impediments to trust and alliance success. Environmental uncertainty relates to a lack of information on the market environment and may result in the partners fearing that their pooled resources may not yield the anticipated profits (Krishnan, Martin, & Noordehaven, 2006). On the other hand, social uncertainty stems from a lack of information about the partnering organisation and may impede co-operation between the partners as they feel that they are not able to trust each other to work for the interests of the alliance (McCarter et al., 2011). Consequently, the partners may act in a manner that safeguards individual interests at the expense of the alliance (Krishnan et al., 2006; McCarter et al., 2011).

In anticipation of tension between the partners, alliances are based on formal contracts and other formal mechanisms which are designed to monitor alliance progress and ensure that the goals of the alliances are at the centre of relationships (Camén, Gottfrindsson & Rundh, 2011; Connelly, Miller, & Devers, 2012; Fadol & Sandhu, 2013; Gulati, 1995). While formalisation may fulfil such positive functions as increasing both the legitimacy of the relationship and coordination, Vlaar, Van den Bosch, and Volberda (2007) cautioned against too much codification that may convert the formal contract into a code and not manage the dynamic nature of the relationship. In addition, this may give rise to rigidity in the alliance relationship and become an administrative burden for the alliance partners.

3.1 BUSINESS ALLIANCES: A MODE OF ORGANISING

The decades leading to the close of the last century witnessed organisations pulling back their corporate frontiers by way of outsourcing and sometimes divesting themselves of activities that were not core to their business (Grant & Baden-Fuller, 2004). The need of organisations to focus on their core business activities and also to remain competitive heralded collaboration and co-operation even among erstwhile competitors (Bidault & Castello, 2009; Christoffersen, 2013; Hamel & Prahalad, 1989). According to the contingency approach to the study of organisations, the quest for self-reinvention is arduous but necessary in a highly competitive and unpredictable environment (Slocum, McGill & Lei, 1994). Under such conditions organisations may resort to business alliances (De la Sierra, 1995; Eisenhardt & Schoonhoven, 1996; Yang et al., 2011). Organisations resort to business alliances when they perceive competitiveness to be out of their reach and, thus, they often form alliances with organisations that have upset the competitive balance (Bengtsson & Kock, 2014; Hamel & Prahalad, 1989).

The results of this trend have been more independent business entities collaborating and co-operating with each other and, in the process, accessing resources outside their boundaries and repertoire of skills (Choi et al., 2010; Grant & Baden-Fuller, 2004; Yang et al., 2011). These entities are varied and are generally referred to as business alliances, strategic alliances or partnerships. They include joint ventures, distribution and supply agreements and research and development partnerships. Spekman, Forbes III, Isabella, & McAvoy (1998) defined a strategic alliance as a long-term agreement designed for the mutual benefit of the contracting parties. Grant and Baden-Fuller (2004) explained strategic alliances as longer-term relationship between two or more organisations based on substantial collaboration. In the strictest meaning of the concept, strategic alliances may be distinguished from other cooperative arrangements between companies. However, the

concept of business alliances is more encompassing and denotes a more general application of mutual relations between business organisations. Gulati (1995) defined an alliance as any independently established inter-organisation link that encompasses the sharing or exchange of resources or the co-development of technology or products. Business alliances pool their resources in pursuit of their common goals. Pucik (1988) observed that business partnerships are primarily dictated by the emerging market conditions and are, therefore, not a substitute for market competition.

Resources and knowledge are shared between the partners in order to enhance the long-term, mutually beneficial, competitive position of the individual organisations. Several organisations are turning to alliances to grow their businesses, especially those that operate in business markets which are characterised by many competitors (Anslinger & Jenk, 2004; Eisenhardt & Schoonhoven, 1996; Yang et al., 2011). The corporate landscape is littered with business alliance failures (De Bond & Bouchikhi, 2004; Choi, et al., 2010; Chung & Beamish, 2012; Das & Teng, 2000; Hunt, Lambe & Wittmann, 2002; Young-Ybarra & Wieresma, 1999).

Nevertheless, despite the observations made in the previous paragraph, many organisations still find it appealing and prudent to form alliances. The rationale behind the formation of business alliances was stated in chapter 1. The next section expounds on the reasons.

The need to be competitive may force competitors to form alliances or partnerships to provide them with essential market power and also the essential economies of scale to enable them to challenge the dominant competitors that they are not able to withstand individually (McCarter et al., 2011; Pucik, 1988; Zoogah et al., 2011). Organisations form business alliances in order to reduce capital investment, to lower the risks associated with entry into new markets, to access previously closed markets and technology, and, in the case of foreign corporations, to meet government policy requirements for local participation (Omar & Mohan, 2010; Pucik, 1988). The policy driven requirements of government may necessitate the participation of local companies or the participation of companies that were owned by previously disadvantaged communities (Omar & Mohan, 2010). For example, in South Africa, the government and state-owned entities use the criteria of black economic empowerment or equity in evaluating tender procurements (Ahwireng-Obeng & Ogunjobi, 2001). Accordingly, organisations may be awarded tenders on the basis of their performance in black economic empowerment. The aim of this policy is to encourage business organisations, particularly TCs, to engage in business with companies owned by the previously disadvantaged communities (Arya & Bassi, 2011).

In forming business alliances organisations consider a number of factors. According to De La Sierra (1995), the focus is on the prospects that the alliance offers to the organisation before a deal is concluded. In view of the heterogeneity of business alliances, organisations are likely to reveal similar and, sometimes, dissimilar or distinct motives for pursuing partnerships.

The literature review helped to illuminate the reasons why business alliances continue to be a common method of organising and competing for many organisations.

3.1.1 Accessing new markets

In a global world economy organisations develop growth strategies that seek to increase their competitiveness. One way through which organisations may achieve growth is by entering or accessing new markets (Elmuthi & Kathawala, 2001; Gonzalez 2001). Gaining access to new distribution channels or to the partner's distribution channels is an immensely attractive benefit for an organisation that needs to extend its market share (Lei & Slocum, 1991). Market expansion by way of market penetration and international expansion is viewed as a strong motive for the formation of alliances, including international strategic alliances. Organisations often choose alliances because they offer access to marketing and distribution channels (Nielsen, 2003). According to Gonzalez (2001), in order to compete in the 21st century, organisations need "speed to market" while business alliances enhance both speed and access to markets.

Organisations that seek to grow their businesses on the basis of new markets and products may encounter impediments to entering such markets, for example, in the case in which there is a regulatory framework for local participation or a black economic empowerment requirement (Akande et al., 2010; Stanek, 2004; Van Scheers, 2010). Entry into a market may sometimes be achieved through licensing agreements. Such licensing agreements may require an organisation to purchase technology in exchange for entry into the market in question (Lei & Slocum, 1991). Organisations often enter into cross-licencing agreements because they are unable to develop the technology they require. Such technological innovations may, for example, involve exorbitant sums of money. However, cross-licensing agreements enable organisations to amortise the costs incurred through technological innovation. In addition, the licensees are able to distribute the technological innovation faster than the licensing firm and to disseminate the technology across new markets (Lei & Slocum, 1991).

3.1.2 Lowering costs

Organisations often use alliances because they need to share and lower the enormous costs associated with high-risk, technology-intensive development projects such as in the aerospace and computer industries. Such projects may bring erstwhile fierce competitors to partner with each other in pursuit of common objectives (Balakrishnan & Koza, 1991; Christoffersen, 2013). However, while joint ventures may lower the costs, like other business alliances, they sometimes do not meet the goals that had originally initiated the venture (Chung & Beamish, 2011). However, in the main business alliances pool complementary resources to create value for the partners at lower costs than may otherwise have been the case.

3.1.3 Economies of scale

Organisations often form business alliances in order to gain economies of scale. Economies of scale imply that a business alliance will enable the partnership to reduce the cost per unit as a result of the increased production. In addition, the repayment of large fixed cost investments make economies of scale an attractive prospect (Zoogah et al., 2011).

3.1.4 Accessing knowledge

Koza and Lewin (1998) suggested that organisations may form business alliances to explore new opportunities jointly and exploit existing knowledge. A firm's choice to enter into a business alliance is often distinguished by the firm's motivation either to explore new opportunities or to exploit existing capability (Christoffersen, 2013). Exploration involves prospecting for new landscapes that may create new opportunities (Koza & Lewin, 1998; Nielsen & Gudergan, 2012). Innovation, invention and entering into new lines of business are the thrust of such exploration. Exploitation, on the other hand, focuses on short-term economic returns from existing knowledge (Nielsen & Gudergan, 2012; Yang et al., 2011). The choice of an exploration or exploitation strategy may be fuelled by either the stability of the market or the competition (Yang et al., 2011).

Lavie et al. (2011) illustrated the complexities of balancing the domains of exploration and exploitation in business alliances. They found that an organisation which engages in alliances may increase both its profits and market value by exploring in one domain, for example, within the function domain of generating knowledge by investing in Research and Development (R&D) while engaging in exploitation in another domain, for example, within

the structure domain by engaging prior partners in marketing. However, an organisation is likely to experience a decline in performance if it attempts to simultaneously explore in both domains (Lavie et al., 2011). Arranz and De Arroyabe (2012) found transactional governance mechanisms such as contracts were more powerful than relational and trust governance mechanisms when the thrust of an R&D project was exploitation. Similarly, they found that relational and trust governance mechanisms were more powerful than contracts when the thrust of the project was exploration. Their findings imply that both transactional (contracts) and relational trust mechanisms are significant in R&D projects. However, while both mechanisms are significant, it is necessary to consider the objectives, for example, whether the thrust is exploration or exploitation, of the project and adjust them accordingly (Arranz & De Arroyabe (2012).

Elmuthi and Kathawala (2001) maintained that organisations form business alliances because they need to access the new technology that resides in the other partner. Without the partnership, the technology would remain inaccessible to the organisation (Akande et al., 2010; Lei & Slocum, 1991). Organisations may sometimes pool their resources so that they are jointly able to create new technology (Christoffersen, 2013).

Critical in an alliance relationship is the ability of the partnering organisation to learn from its partner's strength and simultaneously preserve its own competitive advantage (Lei & Slocum, 1991). Das and Kumar (2011) highlighted the intricacies of knowledge sharing in alliances. The likelihood of an openness and willingness to share information or knowledge depends on whether the dominant coalition partner in the alliance has either a promotion or a prevention focus. A promotion focus refers to a partnering firm that engages with the external world in order to achieve positive outcomes while a prevention focus means that a partner engages with the outside world in order prevent negative outcomes. If a partner to the alliance has a promotion focus, such a partner will be more open and willing to share information while, if the dominant coalition partner is prevention focused, this partner will be more cautious in sharing information and anticipate that the partnering organisation may exploit it. Such a partner would also be sceptical of the information or knowledge provided by the other partner. Accordingly, if the partners in the alliance relationship have different mind-sets, they may not be able to learn, let alone achieve the alliance's strategic objectives (Das & Kumar, 2011).

3.1.5 Reduce financial risks

Organisations may form business alliances in order to reduce the daunting financial risks associated with the development of a new product. Instead of individually venturing into new product development or other R&D initiatives, companies may prefer partnerships so as to spread the concomitant financial risks (Arranz & De Arroyabe, 2012; Elmuthi & Kathawala, 2001; Zoogah et al., 2011). Business alliances may help to defray the costs of R&D (Gonzalez, 2001). Lei and Slocum (1991) referred to a surge in the strategic alliances in the pharmaceutical industry whereby the partners were cross-licensing their newest drugs to their alliance partners to amortise the high fixed costs involved in R&D and distribution. According to Das and Kumar (2011), business alliances are useful in risk sharing especially in instances in which the venture is characterised by a high degree of uncertainty and requires substantial upfront investments.

3.1.6 Drive innovativeness

Organisations are often motivated to innovate through business alliances by way of sharing R&D costs, developing new technologies and product diversification (Bidault & Castello, 2009; Cai, Goh, de Souza, & Li, 2013; Nielsen, 2003). The primary drivers of innovativeness are an organisation's internal capabilities and external partnerships. Su et al. (2009) utilised the theoretical framework of internal capabilities and external partnerships to investigate the way in which exploitation and exploration contribute to product and process innovativeness in the biotechnology industry. The results revealed that exploration through partnerships with universities and research institutes contributed significantly to product and process innovativeness. However, synergy between internal capabilities and external partnerships was also found to be important. Two interactive influences were found, namely, (1) marketing capabilities and customer partnerships have a positive interactive effect on production innovativeness; and (2) manufacturing capabilities and supplier partnerships have a positive effect on process innovativeness (Su et al., 2009).

The ability of an organisation to innovate is a complex issue that hinges on, among other things, an organisation's absorptive capacity (Lewin, Massini, & Peeters, 2011). In the routine-based model of absorptive capacity developed by Lewin et al. (2011), the construct of absorptive capacity comprises two components, namely, internal and external absorptive capacity capabilities. Organisations may develop similar meta-routines, for example, identifying and recognising value in externally generated knowledge. Meta-routines are regarded as higher level routines which are expressed as observable, practised routines in

organisations, for example, market research. Organisations may have similar meta-routines but differ in the actual routines implemented as well as the interdependencies and complementarities they achieve (Lewin et al., 2011).

3.1.7 Smaller firms are able to compete

Competitiveness through alliances enables smaller organisations to compete with larger companies by pooling their resources (Elmuthi & Kathawala, 2001). Lumineau et al. (2011) lucidly illustrated how a business alliance may enable a small business organisation to pursue business interest that would otherwise have been far outside of its financial scope. Rosacom was a small organisation specialising in visual communication and employing 25 people. The organisation acquired exclusive rights to create a series of short cartoon episodes for children. The project required substantial investment which was beyond the reach of the company. However, the formation of an alliance made the project possible (Lumineau et al., 2011).

3.1.8 Policy driven alliances

Alliances are also formed as a result of government suasion and legislation. Organisations often form alliances in order to gain market power and, simultaneously, to conform to government policy on either local participation or the participation of certain social groups (Acemoglu et al., 2007; Beamish, 1985; Nielsen, 2003; Ahwireng-Obeng & Ogunjobi, 2001). The issue of government policy highlights the significance of understanding the local regulatory framework and the possible variations in requirements that may exist in different situations or countries. A business alliance with a local organisation that knows and understands the regulatory framework and other local conditions is often attractive to foreign or non-local companies (Akbande et al., 2010).

Table 3.1 presents a synopsis of some of the reasons why organisations form business alliances.

Table 3.1: *Why organisations form alliances*

Reasons for forming alliances	Description
Access to new markets	Gaining access to either new or the partner's distribution channels may extend the focal organisation's market share
Lower costs	Sharing the costs in an alliance may lower an enormous financial burden, especially in high-risk, technology-intensive development projects
Economies of scale	Business alliances enable the partnership to reduce the cost per unit as a result of the increased production
Access to knowledge	Business alliances may provide partner organisations with some form of access to knowledge about business or markets if the focal party is open and willing to share such knowledge
Reduce financial risks	Business alliances enable the partners to make financial contributions to the development of, for example, a new product, thus spreading the financial risks
Drive innovativeness	Partners share the R&D costs involved in developing new products and technologies or rendering new services
Smaller organisations are also able to compete	Through alliances small organisations are able to partner and compete for business interests that may, otherwise, have been outside of their financial scope
Dictated by government policy	Some business alliances are formed because of government suasion and legislation

As explained earlier in the chapter, business alliances are a mode of organising which comprises two or more organisations cooperating and collaborating in order to achieve their mutual goals (Li, 2013). Alliances may include licensing agreements, joint ventures, distribution and supply agreements, research and development partnerships and technical exchanges (Choi et al., 2010; Inkpen & Currall, 2004). The discussion above elaborated on some of the reasons why some organisations opt for business alliances as a mode of competing. The focus in this study is on alliances between TCs and HDIs.

The rationale behind forming alliances does not, however, indicate the complexities inherent in creating and managing alliances and also ensuring that they are a success. The review of the existing literature revealed that the formation and management of alliances are often complex (Das & Kumar, 2011). As previously asserted, the corporate landscape is littered

with business alliance failures (Choi, et al., 2010; Chung & Beamish, 2012). In an attempt to illuminate the reasons why alliances fail, research has focused on the softer core concepts vital for alliance success, for example, trust.

The foundation of all business alliances is the relationship between the people who conceive of, develop and maintain such alliances (Dowell et al., 2013; Eisenhardt & Schoonhoven, 1996; Gerlach et al., 2007; Lawrence & ul-Haq, 1998; Sklavounos & Hajidimitrou, 2011). Individual partner representatives work through the organisational complexity inherent in alliances by co-ordinating and integrating the resources and skills required to achieve the alliance goals. Trust is at the centre of relationships between people (Dowell et al., 2013; Kocoglu, Imamoğlu, & Ince, 2011; Sklavounos & Hajidimitriou, 2011). Globally, trust in alliances is regarded as central to the effective functioning of an alliance and also the achievement of the alliance goals (Fadol & Sandhu, 2013; Lok, Rhodes, & Walters, 2011; Zhang, 2011). The professed globalisation of the world economy and the resultant diverse working population have created more complex organisations with trust being viewed as an essential requirement for long-term organisational or alliance survival and growth (Mishra, 1996; Mansor & Mirahsani, 2012; Sousa-Lima et al., 2013). Trust has become a vital concept as regards explaining business behaviour and successful relationships in organisational settings (Bachmann & Inkpen, 2011; Dowell et al., 2013).

The context of this research study is black economic empowerment in South Africa. The contextual issues that gave rise and impetus to business alliances between TCs and HDIs have the potential to impact on trust in such alliances. Unlike internationally, TCs have been driven into alliances with HDIs largely as a result of the South African government's black economic empowerment policy (Acemoglu et al., 2007; Ahwireng-Obeng & Ogunjobi, 2001). At a practical level, business skills and other resources are not symmetrically distributed between black and white business organisations or even between population groups. Incompatibility in terms of business skills and resources is not considered conducive for the development of trust in an alliance. However, trust is a complex process that develops, thrives or diminishes with the evolution of the alliance and also under a host of conditions that include whom the people are who are involved in the transaction and their prior experiences (Nielsen, 2011).

In short, the review of the existing literature on business alliances revealed that organisations form alliances for a variety of reasons. Business alliances are formed even between erstwhile business competitors. The notion of coopetition encapsulates the

incessant tension which is characteristic of some alliances in which two organisations cooperate in some activities and, simultaneously, compete in others (Bouncken & Fredrich, 2012; Dahl, 2014; Park et al., 2014). Business alliances are viewed as a mode of organising which is somehow different from the conventional mode. However, as has often been argued, business alliances are not a substitute for market competition. In addition, they have sometimes been described as a different mode of organising and as temporary organisations (Chistofferson, 2013; Maier & Meyer, 2011; Pucik, 1988).

It should be pointed out that, while there is wealth of theoretical and empirical research on business alliances, the majority of this research has its origins in the Western world and, more specifically, in the Anglo-Saxon world. Outside of the Anglo-Saxon context both theoretical and empirical research on alliances is sparse.

3.2 CONCEPTUALISING ORGANISATIONAL TRUST

It has been argued in the previous section that the foundation of all business alliances is the relationship between the people who form, grow and maintain such alliances (Eisenhardt & Schoonhoven, 1996; Gerlach et al., 2007; Lawrence & ul-Haq, 1998; Sklavounos & Hajidimitriou, 2011). Globally, trust in alliances is regarded as central for the effective functioning of alliances and also for the achievement of the alliance goals (Fadol & Sandhu, 2013; Lok et al., 2011; Zhang, 2011). Trust has become a vital concept in explaining business behaviour in organisational settings (Bachmann & Inkpen, 2011).

Groups with low trust are characterised by individuals withholding or distorting information about the business (Schilke & Cook, 2013; Zand, 1972). For example, in low trust groups, interpersonal relationships obscure and distort perceptions as members of the group are diverted from finding solutions to the central problem because they use the problem as a way in which to minimise their vulnerability. On the other hand, high trust groups exhibit less of the socially generated uncertainty and this facilitates working together (Bérard & Perez, 2014; Van Lange, Joireman, Parks & Van Dijk, 2013; Zand, 1972).

The existing literature on organisational trust in inter-organisational relations has revealed that, *inter alia*, trust enables organisations to create leverages by pooling their resources, facilitating coordination and co-operation between people and enhancing alliance performance (Bachmann & Inkpen, 2011; Paliszkievicz & Koohang, 2013; Sousa-Lima et al., 2013; Stanley & McDowell, 2013). However, the adverse aspects and/or negative consequences of trust have also been revealed (Ekici, 2013; Bergh, Thorgren, & Wincent,

2011). Inkpen and Currall (2004) argued that greater initial control of one partner over a joint venture may result in a greater likelihood that the other partner will act opportunistically. Thus, those individuals entrusted with managing business alliances should be aware of the risk of opportunism on the part of trading partners (Das & Rahman, 2010; Lumineau et al., 2011). The essence of such opportunism is deception whereby a trustee may sometimes strive to maximise its individual interests at the expense of the trustor and subordinate the collaborative interests of the joint alliance by, for example, not exerting one's best effort and appropriating alliance resources (Kang & Jindal, 2014; Park & Ungson, 2001). The implications of forming an alliance with an opportunistic partner include the possibility that the quality of the relationship may be adversely affected as time and resources may be spent monitoring and preventing the partner's deceptive behaviour. Ultimately the trust between the partners will be damaged (Kang & Jindal, 2014).

This section conceptualises the concept of trust. The existing literature on trust is reviewed and various definitions of trust compared. For example, the question as to whether trust encompasses both cognitive and emotional elements has uncovered fundamental differences in the conceptualisation of trust (Mayer et al., 1995; McAllister, 1995; Schoorman et al., 2007). Different conceptualisations of the construct may allude to different models. The present status of the theory and research on organisational trust reveals a plethora of conceptual models. The interplay of various trust foci intimates the complexity of the construct in organisational settings (Tan & Lim, 2009). The section culminates in a definition of the way in which organisational trust is conceptualised in the context of alliances in an economic empowerment domain.

The discussion focuses on existing theory on organisational trust. This study does not claim that it has exhaustively identified and discussed all the models of trust. However, the study does claim that it has elaborated on two of the most prominent theoretical models of trust that have had a major influence in the field of organisational trust and are of the most relevance to the context and focus of this study. The constructs contained in the various models are elaborated upon. In addition, an attempt is made to report on recent research on both the models and the constructs of the phenomenon of trust.

The next section critically reviews existing theory on organisational trust. Different conceptualisations of the construct may allude not only to different models but also the different disciplines that underpin the field of organisational trust. It may be inferred that the differences in origins are primarily between management, psychology and sociology (Laequdin, Sahay, Sahay, & Waheed, 2012; McKnight & Chervany, 2002). While this study

is anchored in psychology, the contributions of the fields of management and sociology are also included in the review of relevant literature. The section also discusses two of the prominent trust models which have had a significant impact in the field of organisational trust and also the construct of social uncertainty and how this construct is linked to trust.

The focus in the third section of the chapter is on the core of the chapter, namely, the proposed integrated theoretical model of organisational trust. Organisational trust between alliance partners in an empowerment domain remains one of the chronically under-researched focus areas. The dearth of research into organisational trust in alliances between Historically Disadvantaged Institutions (HDIs) and Traditional Companies (TC) is overwhelming. A painstaking reflection on the theory and models of trust is undertaken in the hope of identifying the core elements of the construct of organisational trust in alliances in an empowerment domain. The section concludes with the proposed theoretical model that forms the basis of the empirical study.

The fourth section of the chapter highlights the implications of the theoretical study for the practice of I-O Psychology. A critical reflection on the chapter is undertaken in order to focus on the theory and models discussed as well as on the proposed integrated model of trust. The chapter also identifies the gaps, strengths, limitations and challenges of the proposed model and how these are addressed.

Finally, the chapter contains a synopsis of the issues discussed in the chapter. This is followed by a brief indication of the contents of chapter 4. The chapter culminates in the re-statement of the theoretical or literature research aims and which were realised.

3.2.1 Trust: meta-theory

Over the years, organisational behaviour has been explained through an assortment of conceptual paradigms and theories that include, among others, systems theory, social exchange theory (SET) and transaction cost theory (Arranz & De Arroyabe, 2012; Christoffersen, 2013; Cropanzano & Mitchell, 2005; Katz & Kahn, 1978).

The efficacy and general contribution of these theories to organisational studies have been recognised although the theories have also been criticised for the limitations in their approach to the study of complex and dynamic human phenomena (Burrell & Morgan, 1977). Social exchange theory and transaction cost theory are at the core of the study of organisational trust (Cropanzano & Mitchell, 2005; Sousa-Lima et al., 2013). The pervasive

influence of these theories on organisational trust theory and research has been phenomenal as is revealed by the host of studies that espouse some of their basic premises, either explicitly or implicitly (Christoffersen, 2013; Liang, Liu, & Wu, 2008; Şengün & Wasti, 2011; Tan & Lim, 2009). This is not to suggest that the research on organisational trust is based on social exchange theory and transaction cost theory in their classical forms and shapes but rather to assert that, like commitment and other relational and exchange constructs, the field of organisational trust could not escape the influence of the two theories. Nevertheless, the social exchange theory and the transaction cost theory are not central but are, in fact, peripheral to the main aim of this chapter and their use may be equated to background information on the study of organisational trust. In other words, a foundational explanation is essential although a thorough and more elaborate discussion of social exchange theory and economic exchange theory is beyond the scope of this work.

At a general level, social exchange theory is one of the most influential theories in explaining human behaviour in organisations (Arranz & De Arroyabe, 2012; Cropanzano & Mitchell, 2005; Liang, Liu, & Wu, 2008; Tan & Lim, 2009). Numerous organisational psychology variables such as trust, commitment and organisational support have been premised in social exchange theory terms (Christoffersen, 2013). Social exchange theory postulates that a series of interactions between individuals tend to create both interdependence and obligations (Cropanzano & Mitchell, 2005). This series of interdependent exchanges has the potential to generate relationships of a high quality under the conditions of reciprocity and negotiated rules.

Sousa-Lima et al. (2013) described social exchange relationships as referring to unspecified obligations in terms of which the parties to the relationship reciprocate mutual care and concern as well as effort toward each other over time. In view of the fact that social exchange relationships are grounded on emotions, feelings of trust and mutual obligation are essential for the development of such relationships.

The tenets of social exchange theory have influenced organisational trust theory and research (Cropanzano & Mitchell, 2005). For example, social exchange theory postulates that relationships between parties evolve over time and also that they become more trusting over time (Cropanzano & Mitchell, 2005). Both the theoretical models and empirical research on organisational trust have espoused and supported the temporal nature of trust (Aalbers, 2010; Mayer et al., 1995; Schoorman et al., 2007; Webber, 2008). While the basis of an alliance relationship may be formal contracts, the role of trust may increase with the evolution of the relationship over time and the operation of the alliance may come to rely less

on explicit quid pro quo agreements than was formerly the case (Cropanzano & Mitchell, 2005). Organisational trust in the realm of alliances is a complex issue and, as will become evident when the issue is discussed later in the chapter, the role of trust is vital.

The concept of trust has been studied across many disciplines and at the individual, organisational and inter-organisational levels (Harris & Wicks, 2010; Mayer et al., 1995; McKnight & Chervany, 2002). In organisational studies much of the interest has focused on intra-organisational and inter-organisational trust. It may be suggested that, despite some setbacks and the continued censuring of the construct milestones have been achieved with the creation of a vast body of knowledge on trust. Tremendous progress has been made since the inauspicious 1990s when Mayer et al. (1995) observed problems with the definition of the construct, ambiguity regarding the relationship between risk and trust and a lack of clarity between trust and its antecedents and outcomes.

There are major resemblances and dissimilarities between social exchange theory and organisational trust. Social exchange theory has as one of its key tenets the principle of reciprocity or the expectations of reciprocity. Reciprocity is explained as payment in kind. However, Schoorman et al. (2007) argued that, while trust is anchored on the expectations of the focal organisation or party, it is not always reciprocal. They argued that trust is not necessarily mutual and reciprocal in the sense that the focal organisation may trust organisation B but organisation B may not return the trust. Of course, as illustrated by the stream of thought that grants a prominent role to reciprocity in organisational trust, to date consensus has not been reached on the role of reciprocity (Das & Teng, 1998; Nikolaou et al., 2011; Silva, Bradley & Sousa, 2012).

The notion of interdependence is crucial in both social exchange theory and organisational trust. The parties in a relationship tend to exhibit some degree of interdependence because the outcomes are contingent upon the parties' efforts. However, in the lexicon of social exchange theory, the emphasis is on reciprocal interdependence which translates into a bidirectional transaction. In the case of organisational trust, there is recognition that dependence may be asymmetrical (Nielsen, 2011; Parkhe, 1998).

Both social exchange theory and organisational trust make reference to the notion of risk and the striving to minimise risk (Christoffersen, 2013). In social exchange theory, risk is minimised through reciprocal interdependence because one party's actions are contingent upon the action of the other party (Cropanzano & Mitchell, 2005). In the case of organisational trust the trustor may willingly share sensitive information with the trustee

although the trust is not necessarily reciprocal and mutual. This willingness to share information renders the trustor vulnerable to the actions of the trustee and also denotes intention to take risks in a relationship (Gill et al., 2005).

In contrast, economic exchange relationships focus on material and tangible resources such as finance (Sousa-Lima et al., 2013). Classical transaction theory asserts that it is impossible for organisations to predict transactional outcomes before the transaction because of their bounded rationality which allows the pervasiveness of opportunistic behaviour in the absence of effective governance (Yang et al., 2011). In inter-organisational relationships classical transaction cost theory relies on formal contracts and third parties for the enforcement of terms of the contracts (Aalbers, 2010; Silva et al., 2012). Transaction costs comprise all costs associated with the formation and maintenance of an exchange relationship. They embrace a wide range of costs including those involved in the search for a suitable partner, negotiating and concluding the partnership as well as monitoring for opportunism and knowledge appropriation (Das & Rahman, 2010; Şengün & Wasti, 2011).

In alliance relationships the likelihood of opportunistic behaviour by a partner generates the most salient transaction costs (Gulati, 1995). From the transaction costs perspective, trust is seen as significant as regards reducing the costs emanating from conflict as trust kindles rapport between the partners in an alliance. The adherents to the transaction costs perspective also argued that trust drastically reduces the costs incurred for contracting, monitoring and enforcing formal contracts (Boersma et al., 2003; Christoffersen, 2013; Nielsen, 2011). For example, the presence of trust between the partners implies that the administrative and monitoring measures may not have to be elaborate (Gulati, 1995).

The limitations of the classical transaction cost theory in business environments characterised by dynamic and unpredictable changes have been highlighted in research (Aalbers, 2010). In such a milieu it is not possible to deal with the rapidly changing circumstances by means of the mechanisms of the transactional cost theory. Under such dynamic market conditions, trust premised on social exchange theory has been invoked because of its potential to safeguard the interests of the alliance partners (Boersma et al., 2003). Aalbers (2010) found that, under conditions of market dynamism, trust increases. However, the temporal nature of the relationship may have an effect on the perception of the dynamism with the result that long-term alliances may lower the perceptions of dynamism. In other words, such alliances may see less volatility in the market than short-term alliances (Aalbers, 2010). The underlying assumption is that long-term alliances have known their partners over a longer period of time and, thus, are likely to be characterised by trust.

The discussion above provided brief background information that sought to explain the origins or theories from which the construct organisational trust derives. The influence of social exchange theory and transaction cost theory will become increasingly clear as the discussion in the rest of the chapter unfolds. However, the discussion does not follow a pattern that separates social exchange and transaction cost theories.

The following section provides and scrutinises several definitions of the construct of trust. Accordingly, trust conceptualisations from existing literature are examined. The discussion in this section culminates in a conceptual definition of trust in the context of business alliances in an economic empowerment domain.

3.2.2 Unpacking the concept of organisational trust

Organisational trust is seen as a construct that may be perceptible across individuals, groups or teams and organisations and, as a result, it has been studied from a host of perspectives, including interpersonal, intra-organisational and inter-organisational perspectives (Colquitt, Scott, & LePine, 2007; Johnson & Grayson, 2005; MacDuffie, 2011; Mansor & Mirahsani, 2012; McKnight & Chervany, 2002; Stanley & McDowell, 2013; Tan & Lim, 2009; Webber, 2008). A variety of disciplines, including psychology, sociology and organisational and management studies, have defined organisational trust from different vantage points (Bachmann & Inkpen, 2011; Jiang, Li, Gao, Bao, Jiang, 2013; Levin, Whitener, & Cross, 2006). Organisational trust is assumed to be the foundation of sound interpersonal relationships, relationships with co-workers and management and relationships across organisations (Sklavounos & Hajidimitriou, 2011; Tan & Lim, 2009; Whipple, Griffis, & Daugherty, 2013). To suggest that trust may be observable at different organisational levels is not to deny the interplay between or the influences of one echelon of the organisation on the other types of trust foci such as the influence of trust in co-workers on trust within organisations (Tan & Lim, 2009). It is, in fact, to intimate the complexity of the construct in organisational settings and to affirm that the nature and bases of relationships at the individual, organisational and inter-organisational echelons may be different (Mayer et al., 1995; Sousa-Lima et al., 2013).

One of the fundamental distinctions in the conceptualisations of organisational trust is based on the subject of cognition and affect. Some researchers have conceptualised trust purely as a cognitive construct because the trustor evaluates the trustee's ability, integrity and benevolence (Mayer et al., 1995). Thus, trust is seen as a cognitive construct because one needs to think in order to evaluate a trustee's ability, integrity and benevolence (Schoorman

et al., 2007). Another stream or approach to the study of trust has assumed that trust has two dimensions, namely, cognitive and affect or emotion (Huang & Wilkinson, 2014; McAllister, 1995; Webber, 2008). Cognitive trust has been viewed as anchored in the trustor's belief about the ability or competence, reliability and integrity of the trustee while affective trust is premised on close emotional bonds and interpersonal relationships (Fan et al., 2012; Huang & Wilkinson, 2014; McAllister, 1995). The latter is anchored in interpersonal care and concern for the other person (Fan et al., 2012; McAllister, 1995).

Trust is defined as comprising actions that (1) increase the trustor's vulnerability, (2) to the trustee whose behaviour is not under the trustor's control (3) in a situation in which the consequence the trustor suffers if the trustee takes advantage of the vulnerability surpasses the benefit the trustor gains if the trustee does not misuse that vulnerability (Zand, 1972). Similarly, Mayer et al. (1995) defined trust as the trustor's willingness to be vulnerable to the behaviour of the trustee based on the expectation that the trustee will not abuse that vulnerability irrespective of the ability of the trustor to monitor or control the trustee. While grounded in existing literature, the definition proposed by Mayer et al. (1995) denotes one of the foremost and influential conceptions of organisational trust.

The following significant components fundamental to the above definitions and their meanings may be identified, namely, willingness to accept vulnerability or take risk; expectation that the other party will accomplish the specific task to be performed irrespective of the trustor's ability to control the other party and that the trustee cares about the trustor and will not harm his/her interests; belief that the trustee is committed to acceptable principles as well as the fact that the losses that the trustor would suffer as a result of the trustee's abuse of vulnerability should be greater than the benefit if the trustee did not abuse such vulnerability. Colquitt et al. (2007) also noted the significant components of this definition.

Mayer et al. (1995) contended that vulnerability alludes to the fact that the one party has something of importance to be lost. In other words, there is a risk. Thus, by making him or herself vulnerable, the trustor is taking risk. However, the distinction between being vulnerable and taking risk is significant (Mayer & Davis, 1999). According to Mayer and Davis (1999), trust is not taking risk per se but it is the willingness to take risk. For example, the trustor may be willing to share sensitive information with the trustee. This willingness to share crucial information renders the trustor vulnerable to the actions of the trustee and denotes intention on the part of the trustor to take risk in a relationship (Gill et al., 2005).

The definition proposed by Meyer et al. (1995) is both widespread and prominent in the field of organisational trust with its influence permeating many areas of management and organisational studies, including intra and inter-organisational studies (Tan & Lim, 2009). Tan and Lim's (2009) conceptualisation of trust distinguished trust from its antecedents or elements of trustworthiness and propensity to trust. In terms of the model of Meyer et al. (1995), which is explained later in this chapter, trustworthiness refers to the antecedents or the three characteristics of the trustee, namely, ability, benevolence and integrity. Perceptions about one's trustworthiness will determine the trust invested in an individual. However, these perceptions may be investigated for different foci depending on the levels of analysis.

In line with the integrative trust model of Mayer et al. (1995) conceptualisation of trust, specifically their notion of trustworthiness, Levin et al. (2006) suggested that the willingness to be vulnerable is the result of the trustor's perceptions of the trustee's trustworthiness. Three antecedents are used to explain the concept of trust. Perceived ability is explained as the trustor's belief that the trustee will accomplish the specific task to be performed. Perceived benevolence referred to the trustor's belief that the trustee cares about the trustor and will not harm the trustor's interests and perceived integrity is explained as the trustor's belief that the trustee is committed to a set of acceptable principles (Mayer et al., 1995).

Trust has also been distinguished from propensity to trust which is explained as the stable component or individual difference that influences the likelihood that the trustor will trust. Accordingly, this conceptualisation posits that willingness to trust is influenced by both the antecedents of trust and the trustor's propensity to trust. The intricacy and implications of this conceptualisation of trust will become evident and clear in the elucidation of the model proposed by Mayer et al. (1995) later in this chapter.

Mishra (1996) is another notable researcher on trust who developed his model at approximately the same time but independently of Mayer et al. (1995). Mishra (1996) defined trust as one party's willingness to be vulnerable to another party based on the belief that the latter party is 1) competent, 2) open, 3) concerned, and 4) reliable. Mishra's (1996) notion of trust implies that, without a willingness to be vulnerable, the concept of trust does not assume any meaning as the outcomes will have no consequence for the trustors. Similar to Mayer et al. (1995), this definition is derived from the domain of the existing literature on trust which is anchored in the notions of vulnerability and expectation. According to Mishra's (1996) definition, vulnerability or willingness to take risk is predicated on the four dimensions of competence, openness, concern and reliability.

These four dimensions (competence, openness, concern and reliability) represent the components of an overall trust. In Mishra's (1996, p. 10) words, "the four "dimensions combine multiplicatively in determining the overall degree of trust that one party has with respect to a given referent". This means that the trust of the one party or focal organisation in the trustee in one dimension is counterpoised by the high levels of trust that the trustee has in the other dimensions. According to Mishra (1996), these dimensions of trust operate with respect to several different referents and levels of analysis such as within groups or organisations and between organisations.

Another intriguing and noteworthy feature of Mishra's conceptualisation of trust (1996) is the definition of trust as both willingness and a belief. To do so is to subsume its emotional and cognitive elements. This view of trust may be contrasted with the model proposed by Mayer et al. (1995) which regarded trust as solely cognitive in nature. As in the assertions made with respect to Mayer et al. (1995) above, the explanation of Mishra's (1996) model will later in the chapter illuminate the definition and meaning of trust provided above.

Following Mayer et al. (1995), Tan and Lim (2009) asserted that trust in co-workers had an influence on trust in organisations which in turn influenced organisational outcomes such as commitment and performance. The uniqueness of Tan and Lim's (2009) study lied in its endeavour to deliberately focus on how the different trust foci interact to influence organisational outcomes. They defined trust in co-workers as one's willingness to be vulnerable to the actions of his or her co-workers despite the fact that he or she cannot control their actions.

Trust in organisations may be explained as an employee's willingness to be vulnerable to the actions of the organisation whose actions and behaviour the employee is not able to control (Tan & Lim, 2009). While the various foci of trust denote willingness to be vulnerable and a lack of control over the other party's behaviour, the distinctions between these foci are significant as trust in co-workers does not presuppose trust in the organisation. The two may not hold the same implications for organisational outcomes such as organisational commitment and organisational performance. However, as noted by Sousa-Lima et al. (2013), regardless of the foci, trust has a fundamental role to play in shaping the attitudes and behaviour of employees in organisations.

The two types of trust foci are cited merely to illustrate the significance of locating the level at which trust is analysed. For example, the distinction between trust in co-workers and trust in management is also significant because these two involve distinct power relations (Starnes,

Truhon, & McCarthy, 2005). Trust in co-workers involves horizontal relationship with people who are at comparable hierarchical levels and with no power imbalances. On the other hand, trust in management may be explained in terms of vertical relationships which entail power imbalances such as subordinate-superior relationships (Tan & Lim, 2009). Horizontal trust is formed through relationships between an individual and the individual's co-workers who are on the same level in terms of the hierarchy of the organisation. The distinct characteristic of the horizontal perspective is the perceived power balance between the parties. Conversely, vertical trust involves relationships that depict or imply power imbalances such as employee-manager relationships (Tan & Lim, 2009). It has already been argued in chapter 2 that the unequal disbursement of power fosters inequalities and that management's prerogatives reflect power and control over the allocation of resources (Fernandez & Moldogaziev, 2012; Jönsson, 2010; Seibert, Wang, & Courtright, 2011).

The presence of power imbalances in relationships may have implications in terms of the dynamics of the relationships, including influence and control. The notion of influence presupposes that one is in a position to change the behaviour or emotions of another person while control implies a striving to ensure certain desired outcomes by influencing another person (McKnight & Chervany, 2002). Whilst Colquitt et al. (2007) showed that, in general, the relationships between trust and its antecedents and outcomes did not vary according to whether they were leader-based or co-worker-based referents. However, they did find that the relationship between integrity and trust was significantly stronger for leader-based referents than that of co-worker-based referents. This may allude to the prominence of issues such as fairness and promise fulfilment for the latter referents.

The notion of power imbalances may be extended to business alliances and in terms of which the asymmetrical relationship in terms of resources may obfuscate trust issues and result in different dynamics between the parties as the part with leverage may attempt to gain domination over the destiny of or the decision making in the alliance (Nielsen, 2011). The problems of asymmetry are not limited to resources but may extend to value creation or appropriation of knowledge for the partners (Parkhe, 1998). The partners may interact closely and share decision making on matters pertaining to the alliance, thus signifying two things: (1) a commitment to and interest in outcomes, which decreases the likelihood of opportunistic behaviour and (2) the likelihood that a partner's opportunistic behaviour will be recognised. In this case information asymmetry will be reduced because both partners will demonstrate high participation in and knowledge of strategic decisions and actions. Consequently, a high level of mutual involvement may serve as both a signalling and a monitoring mechanism by establishing and building trust and commitment (Saxton, 1997).

Kramer and Lewicki (2010) provided another definition that explained trust as fundamentally a psychological state characterised mainly by positive expectations about the behaviour of others. The positive expectations may be expressed in individuals, groups or across organisational boundaries. Trust is explained as the mutual belief that none of the parties to the exchange relationship will take advantage of the vulnerabilities of the other (Sklavounos & Hajidimitriou, 2011). A party to the relationship allows itself to be vulnerable because it has positive expectations or beliefs that the other party will not take advantage of its vulnerabilities.

In line with Mishra's (1996) conceptualisation of trust, within the domain of alliances Nielsen (2011) defined trust as a process that involves the willingness of a party to the relationship to be appropriately vulnerable based on the belief that the other party to the alliance is competent, open, concerned and reliable and identifies with the mutually set goals and values of the alliance. The definition of Nielsen (2011) reveals that a focal organisation's decision to be appropriately vulnerable is a calculated decision and hinges on what literature in the field classifies as the dimensions of trust, namely, competency, openness, concern and reliability, as well as whether the potential or actual partner identifies with the goals and values espoused by the alliance. Shared goals between alliance partners are positively and significantly related to both cognitive and affective trust (Zur, Leckie, & Webster, 2012).

The significance and pertinence of trust at various foci points has been alluded to in the previous discussion. Indeed, the concept has pertinence at the inter-organisational focal point and its complexity at this level has been highlighted (Bachmann & Inkpen, 2011). Boersma et al. (2003) defined trust as the expectation that a party to the alliance may be relied upon (promissory contract), will perform its side of the contract professionally and competently (competency-based contract) and that, even if there are no explicit promises to be fulfilled, the party to the alliance will behave honourably (goodwill-based contract). Similar to the definition by Nielsen (2011), Boersma et al. (2003), following Mishra (1996) specified the dimensions of trust or what they referred to as the types of trust to explain one's expectations to the other partner to the alliance.

Trust in business alliances is a complex construct that has been studied from two main perspectives, namely, trust prior the formation of an alliance which focuses on the conditions conducive for the formation of an alliance and trust during the alliance which focuses on alliance outcomes and the impact of the partnering organisations (Sklavounos & Hajidimitriou, 2011).

Nielsen (2011) is critical of certain definitions of trust because they tend:

- To assume that trust is a uni-dimensional construct with properties that are universal
- Not to see trust as a dynamic and evolutionary phenomenon that changes with the stages of the alliance
- To neglect important interdependencies between trust and the management process involved.

Having reviewed literature in the field of trust, McKnight and Chervany (2002) identified several definitions and their meanings and proposed a broad and multidisciplinary definition and conceptualisation of trust. For trust to be properly conceptualised it should be viewed as a cohesive set of interconnected constructs. McKnight and Chervany (2002) identified six trust constructs that extend across impersonal, dispositional and interpersonal construct dimensions, namely, trusting intention, trusting behaviour, trusting beliefs, system trust, dispositional trust and situational decision to trust. However, they did not assert that this set of six constructs were comprehensive to the extent that they covered every type of trust in the literature. McKnight and Chervany (2002) used their judgement to define what they viewed as important forms of trust in order to arrive at a set of broad, cohesive, yet parsimonious constructs.

One of the common threads in the study of organisational trust is the recognition that, fundamentally, trust is a desirable attribute expressed by the focal organisation and characterised by positive expectations about the behaviour of others (Kramer & Lewicki, 2010; Mayer et al. 1995; Mishra, 1996; Schoorman, 2007). Trust is explained as a multi-dimensional construct that may evolve with the relationship (Nielsen, 2011) with trust evolving over a period of time as the relationship develops. Some studies on organisational trust have been censured on the basis that they were laboratory studies of a short duration which precluded the evolution of trust, particularly affective trust (Webber, 2008). This is understandable in view of the fact that affective trust takes longer to develop than cognitive trust as it is anchored in the evolving relationship between the alliance partners (Ekici, 2013). The existing literature reveals that cognitive trust leads to affective trust (Zur et al., 2012). The duration of the relationship is crucial for the development of affective trust. During the course of building the relationship, repeated transactions over time will reveal potential problematic partners (Aalbers, 2010).

Hernandez and Dos Santos (2010) observed the widespread disagreement in terms of both the definition and the measurement of trust which has led to the development of a myriad of trust notions, models and measures. However, a lack of convergence inevitably follows as constructs are studied in decontextual terms. The significance of the contextual factors in the research on trust have been highlighted (Caple, 2012; English & Baxter, 2010; Hofstede, Fritz, Canavari, Oosterkamp, & Sprundel, 2010) and is explained later in the chapter as it forms an essential aspect of the model proposed in this chapter.

The integrated model proposed by Mayer et al. (1995) acknowledged the role of context. Contextual issues may impact on the situation, for example, when the significance and influence of the three antecedents of trust vary with the context because their impact is domain-specific or when the dynamics of the situation within which the task is performed change. The argument regarding the significance of context necessitates that the definition of relevant concepts be made explicit. It is, therefore, crucial to specifically highlight how the concept of organisational trust in business alliances in the context of economic empowerment is defined. Providing unequivocal definitions is even more imperative in studies that endeavour both to conceptualise the construct and its elements theoretically and also how trust relates to business alliances in the South African economic empowerment context.

The definitions of trust do not vary only in terms of the way in which the trust construct is used but also as regards the attributes of the person who is trusted. The use of the concept of trust in varied settings is likely to reflect how the various attributes assume significance in different settings. This suggests that the use of numerous nouns to specify the attributes of the concept is justified by the diversity of trustor settings. In addition, it also communicates the relative significance of the trustor attributes depending on the situation. For example, the relative significance of the attributes of ability or competence, integrity and benevolence in the case of a patient's trust in a medical surgeon may be contrasted with such significance of a superior-subordinate relationship. As McKnight and Chervany (2002) noted, trusting varies from situation to situation. Also the attributes that the trusted person must possess will vary from relationship to relationship and from situation to situation. In the view of McKnight and Chervany (2002), the abundance of the trustor's attributes may be explained by the variety of possible relationships and situations.

In the context of this study organisational trust refers to the willingness on the part of the trustor or the focal organisation to be vulnerable to the actions of another party as based on the intuition, belief and expectation rooted in the culture of the trustor or the context of the

setting as well as the belief of the trustor that the other party will perform a particular action which is important to trustor, irrespective of the ability to monitor or control that other party or trustee. Although this definition is derived from Mayer et al. (1995), it also recognises the limitation that Schoorman et al. (2007) acknowledged in the work of Mayer et al. (1995), by making explicit the non-cognitive or affective element of trust, as well as the fact that trust is embedded in the cultural milieu. However, the bases of the conceptualisation of expectations are dissimilar from those in the integrative model of Mayer et al. (1995). According to Schoorman et al. (2007), the integrative model (Mayer et al., 1995) neglected or was oblivious to the implications of cross-cultural factors and affect and represented a cognitive approach to trust because the basis of individual expectations was understanding how parties evaluate or process information about others. Williams (2001) maintained that the bases of expectations comprise both people's perceptions of others and also their affective responses to others. In her view, understanding the combined influence of affect, perceived trustworthiness (ability, integrity and benevolence) and social group membership is significant.

In concluding this section, it must be pointed out that a myriad of organisational outcomes have been associated with trust. For example, trust is regarded as a foundation for knowledge sharing (Das & Kumar, 2011; Nielsen, 2011; Zhang & Chen, 2015) while sound relationships between employees and organisations have been cultivated because of the view that trust is fundamental to organisational performance (Arranz & De Arroyabe, 2012; Sousa-Lima et al., 2013). The following section considers the crucial role of trust in alliances.

3.3 THEORY: MODELS OF ORGANISATIONAL TRUST

The decades leading to the end of the last century witnessed organisations pulling back their corporate frontiers by way of outsourcing and sometimes divesting themselves of activities that were not core to their business (Grant & Baden-Fuller, 2004). The need of organisations to focus on core business activities and still to remain competitive heralded collaboration and co-operation, even between erstwhile competitors. The close of the twentieth century signified the dawn of an era in which competition and collaboration co-exist (Choi et al., 2010; Park et al., 2014; Parkhe, 1998; Tidström, 2014). In some cases the escalating costs in technology-intensive projects have created partners from competitors (Lei & Slocum, 1991). One of the consequences of this development has been the formation of business alliances (De la Sierra, 1995; Eisenhardt & Schoonhoven, 1996; Yang et al., 2011). It has been previously stated that organisations may resort to business alliances when they

perceive competitiveness to be beyond their power and that they sometimes even form alliances with companies that upset the competitive balance (Hamel & Prahalad, 1989).

Alliances have resulted in a more complex world of work than previously and one that is characterised by, *inter alia*, virtual and globally distributed organisations with institutions collaborating and co-operating across their boundaries (Bachmann & Inkpen, 2011; Jiang, et al., 2013; Mansor & Mirahsani, 2012). Technological developments, efforts to enhance green business and higher office space and transportation costs have also contributed to the formation of virtual organisations and globally distributed work teams (Mansor & Mirahsani, 2012). The accelerated rate at which business partnerships are formed, including with erstwhile competitors, has contributed significantly to the complexity involved in managing organisations (Stanley & McDowell, 2013; Ekici, 2013). The practical concerns about insatiable greed and corruption among business executives and businesses failing to live up to the expectations of their alliances and other stakeholders have underscored the significance of monitoring or regulating behaviour in organisations and also inadvertently creating more complex organisations that are able to rely solely on formal contracts (Bachmann & Inkpen, 2011). These concerns have also intensified interest in the phenomenon of trust (Jiang et al., 2013).

There are numerous reasons why organisations form business alliances. These were explained in chapter 1. The formation of external business relationships such as business alliances represents a significant mode that organisations espouse in their search for competitiveness (Choi et al., 2010; Reuer & Tong, 2010). Such alliances comprise various inter-organisational arrangements whereby organisations pool their resources in pursuit of specific opportunities. These inter-organisational arrangements include joint ventures, technology exchange, licencing, joint R&D agreements and many other such arrangements.

The pooling of resources may require extensive resources for the preparation or drafting, negotiation and monitoring of contracts. Huge costs and time are involved on executives' involvement with issues of contracts. Trust has been shown to have innumerable benefits for inter-organisational co-operative relationships, including savings in terms of both time and money as it reduces the time executives spend on contracts and the concomitant huge sums of money (Gulati, 1995).

Smooth functioning and co-operation within alliances is neither automatic nor is it easily fostered (Laan, Noorderhaven, Voordijk, & Dewulf, 2011; Malhotra & Lumineau, 2011). While the formation of such alliances may assist in outflanking competitors such

partnerships may backfire for the unwary (Laan et al., 2011; Lei & Slocum, 1991). Alliance contexts also present a paradox. Although the pooling of resources is supposed to enable the parties to achieve what they are unable to achieve individually self-interest and the tendency to become opportunistic may harm the performance of the partnership (Hamel & Prahalad, 1989; McCarter et al., 2011; Pucik, 1988; Reutzel, Worthington & Collins, 2012). As has been repeatedly averred, alliances offer modern organisations opportunities but they also carry higher risks for the focal organisation (Jiang et al., 2013). While the constructive and desired impact of pooling resources and the pivotal role of trust in cost saving must be acknowledged, some unanticipated downsides characterised by deleterious rigidities in routines and resources may also develop in alliances (Bergh et al., 2011). As revealed in the literature on organisational inertia, trust between the alliance partners is strengthened by the positive exchange experiences although these positive exchanges may inadvertently create rigidities in routines and resources as the alliance's flexibility in meeting changing circumstances is immobilised (Bergh et al., 2011). Less detailed contracts may facilitate the adaptability of alliances to a shifting business landscape (Gulati, 1995).

The nature of inter-organisational collaboration, especially alliances, may necessitate resource sharing, including information sharing, between the partnering organisations (Das & Kumar, 2011). Inter-organisational settings typical of alliances result in the integration and sharing of information across organisational boundaries. In a more globalised and hyper-turbulent business environment, information technology is vital to competitiveness on a global scale. Modern organisations in their varying organisational forms, such as individual firms and partnerships, are not able to manage their strategic and managerial changes without responsive information systems.

Inter-organisational information systems include supply chain management systems and electronic data interchange (Nicolaou, Sedatole, & Lankton, 2011). The level of information sharing across organisational boundaries is a matter of knowledge management (Von Krogh & Roos, 1995). Thus, the establishment of an integrated system of information in an alliance does not necessarily mean unrestrained access to resources, information or knowledge. As Pucik (1988) states, organisations use technology through joint ventures in order to master or acquire competencies and then to use this acquired knowledge either to gain control of the market or to penetrate markets previously dominated by others. In partnerships organisations may attempt to manage knowledge (Aadne et al., 1995). A partner to a strategic relationship may do this by controlling knowledge as well as managing both the knowledge transfer context and the internalisation process. Controlling knowledge may entail a partner to the alliance not giving away or involving critical knowledge in the co-operative

activity at all, for example, by performing the functions required on behalf of the alliance rather than sharing this process. Sometimes the process may entail the partner bundling numerous discrete activities into an integrated package so that the other partner is overwhelmed by information, the totality of which is more difficult to understand than previously thought (Aadne et al., 1995).

As with all modes of organising, the foundation of these business alliances is the relationship between the people who conceive, develop and maintain such alliances (Sklavounos & Hajidimitriou, 2011). In the main trust between people and in alliances is regarded as central to sound relationships between the people and the effective functioning of the alliance as well as the achievement of the alliance goals (Lok et al., 2011; Zhang, 2011).

In discussing the models of trust it will become clear that trust is an extremely complex construct (e.g. Mayer et al., 1995; McKnight & Chervany, 2002; Mishra, 1996; Schoorman et al., 2007). It has already been suggested that the level of complexity of the construct is more pronounced in relationships across organisational boundaries such as in alliances (Das & Teng, 2000; Stanley & McDowell, 2013).

The preponderance of hierarchical studies, for example, between employees and their relationships with supervisors or management, may create an impression that trust in an organisational context refers only to employees' willingness to render themselves vulnerable to the actions of the organisation. The contribution of research at the different trust foci is critical as it contributes to the existing body of knowledge on the construct. The models may be used at different levels, such as the employees on the same hierarchical level, superior-subordinate level and even inter-organisational level. This section critically evaluates theoretical models of organisational trust. The discussion focuses on two such prominent models which have influenced thinking and research in the field. While the review of existing literature shows that numerous models of organisational trust exist, this section elucidates two models as conceptualised by Mayer et al. (1995) and Mishra (1996).

3.3.1 An Integrative Model of Organisational Trust

One of the earlier and influential models of organisational trust was proposed by Mayer et al. (1995). To restate the definition proposed by Mayer et al. (1995), trust refers to the trustor's willingness to be vulnerable to the behaviour of the trustee, based on the expectation that the trustee will not abuse that vulnerability irrespective of the ability of the trustor to monitor or control the trustee. Their model is based on the recognition that people have generalised

trust or expectations of others and these are analogous to the dominant personality trait that may account for their functioning in an environment. This is referred to as propensity to trust. Propensity to trust is a factor inherent to a person which influences the general willingness to trust. It is, therefore, a trait that is stable across situations and it accounts for why people differ in their inclination to trust others (Mayer et al., 1995).

At an inter-organisational level propensity to trust may be influenced by geographic, industry and economic histories (Fadol & Sandhu, 2013; Fan et al., 2012). For example, past experiences in alliances may either increase or decrease the focal organisation's propensity to trust, depending on whether these experiences were positive or negative. A negative experience is one that would have resulted in the focal organisation losing its investment or becoming involved in a lawsuit (Schoorman et al., 2007).

Propensity to trust implies that the trustor possesses certain trust tendencies even prior to information about the trustee becoming available. Propensity to trust helps in explaining why some individuals are more trusting than others (Ashleigh & Higgs, 2012; Frazier, Johnson, & Fainshmidt, 2013). This inclination to trust moderates an individual's perceptions of trustworthiness (Schoorman et al., 2007). Mayer et al. (1995) proposed that trustors with a higher propensity to trust are likely to show higher trust towards the trustee prior to information about the trustee becoming available. Nevertheless, Mayer and his associates (1995) viewed propensity to trust as vital but insufficient to explain or account for trust because a trustor may have different levels of trust towards different trustees. To complete the conundrum, they proposed that the characteristics of the trustee or trustworthiness be included in the model that explains why trustors are more likely to trust some trustees than others.

Based on existing literature, the model proposed by Mayer et al. (1995) identified three antecedents or elements of trustworthiness, namely, ability, benevolence and integrity. According to the integrative model of organisational trust, individuals determine the trustworthiness of others by using their beliefs in the trustee's trustworthiness or ability, integrity and benevolence. These characteristics of the trustee are briefly described below.

3.3.1.1 Ability

Ability is described as a group of skills, knowledge and competencies that enable a person to exercise influence within a specific domain (Mayer et al., 1995; Mayer & Davis, 1999). An employee who is perceived to be competent is likely to affect the work of co-workers

because trust is said to increase with an increase in competence. It is generally believed that employees tend to trust co-workers who are competent (Tan & Lim, 2009). Similarly trust increases when employees believe that their managers are able to make competent decisions on behalf of the organisation (Mansor & Mirahsani, 2012).

The significance of ability on trust is unique as is its influence. As an antecedent of trust ability creates a trust framework that is domain-specific (Schoorman et al., 2007). In other words, ability, as an element of trust, creates space for more complex relationships with trustees than may otherwise have been the case. The trustor may have high trust in the ability of the trustee as regards the trustee's competence in one area of the job but lower trust in the trustee's ability in another area. The notion of ability is similar to Mishra's (1996) conception of competence. In the context of alliances, ability refers to the belief of the focal organisation that the other organisation or trustee will perform as expected because it is competent and/or because it possesses the required expertise (Brahma & Chakraborty, 2009). The element of ability encompasses the positive beliefs or expectations that the focal organisation holds about the future behaviour of the partnering organisation.

3.3.1.2 Benevolence

Benevolence is defined as the extent to which the trustee wants to do his/her best for the trustor (Mayer, et al., 1995). In work settings, employees who view their co-workers as wanting to do their best for them are likely to be trusted. When employees perceive co-workers, supervisors or managers to be considerate and concerned about their welfare, they are more likely to trust them because they do not believe they will act maliciously against them (Tan & Lim, 2009). In their research on the perceived trustworthiness of knowledge sources, Levin et al. (2006) focused on benevolence because they believed that it (benevolence) is an essential component of an interpersonal relationship. In their view, trustworthiness is rooted in the trustor's willingness to be vulnerable to the other party because he or she expects that the trustee will have his or her interests at heart, cares about him or her and feels goodwill toward him/ her.

3.3.1.3 Integrity

Integrity is the last antecedent identified by Mayer et al. (1995). Integrity refers to the extent to which one party or the trustor perceives the other party or trustee to adhere to the principles that the trustor finds acceptable. According to Mayer and Davis (1999), integrity subsumes the manager espousing values that the employees regard as positive and

acceptable and behaving in a manner that is consistent with the espoused values. Two terms that are vital to the concept of integrity are adherence and acceptability. The trustor will, therefore, be willing to accept the influence of the trustee if the trustee subscribes to the values that the trustor esteems. The significance of this last antecedent lies in its association with people with integrity being perceived as indicating honest and fair manner behaviour towards others (Tan & Lim, 2009).

Although ability, benevolence and integrity are all important each may vary independently of the others as each encapsulates certain elements of trustworthiness. Trustworthiness should be viewed in terms of a continuum with the three factors varying along the continuum. In practical terms this means that the three factors may be separated. Meaningful trust in the trustee may exist in spite of the fact that it is relatively lower in one of the three factors (Mayer et al., 1995). Mayer and Davis (1999) aptly stated that the way in which ability, benevolence and integrity combine into trustworthiness is idiosyncratic both between individuals and between situations. Nevertheless, a trustee who is high as regards all three factors will be perceived as high in trustworthiness.

Mayer et al. (1995) suggested being vulnerable alludes to the fact that the trustor possesses something of importance to be lost. In other words, there is a risk. This confirms the significance of risk as a component of the trust model proposed by Mayer et al. (1995). The pivotal role of risk in their integrative conceptual trust model requires that the notion of risk be elucidated. The model conjectures that there is no risk involved in one's willingness to be vulnerable – the trustor need not risk anything in order to trust although he/she must take risk in order to engage in trusting action. Thus, trust leads to risk-taking in a relationship although the level of trust will determine the degree of risk the trustor is willing to take.

The model also proposed risk taking in relationship (RTR) as an outcome of trust. RTR as an outcome of trust is differentiated from general risk taking behaviour because it is specific to the identifiable relationship between the trustor and the trustee. Decision making in a relationship involves the trustor's perception of risk which hinges both on a consideration of the situation and also on the likely positive or negative outcomes. In the model proposed by Mayer et al. (1995) perception of risk is defined as the trustor's belief about the likelihood of positive or negative outcomes beyond the relationship with the trustee in question.

The model postulates that, in the main, the trustor compares the level of trust with the perceived risk in a given situation and, if the level of trust exceeds the threshold of the perceived risk, then the trustor will be prepared to engage in RTR. If, on the other hand, the level of perceived risk exceeds the level of trust, then the trustor will probably not engage in RTR. It may be inferred from the latter two statements that the degree of trust in the trustee and the perception of risk inherent in the situation or context are crucial in determining whether or not the trustor will take certain risks (Dowell et al. 2013; Mayer et al., 1995).

The final aspect of the model proposed by Mayer et al. (1995) is the evolution and long-term effects of trust. In brief, the model proposes that trust will evolve as the trustor and trustees interact. This feature of the model reveals its dynamic view of trust. A positive interaction with the trustee may impact positively on the trustor's perception of the trustee. Conversely, an unfavourable encounter or outcomes will result in unfavourable perceptions of the trustee. According to the model, the outcome of the trusting behaviour, which may be either favourable or unfavourable, will influence trust indirectly because the elements of trustworthiness are moderated by propensity to trust. Therefore, inclination to trust others impacts on perceptions of ability, benevolence and integrity (Ertug, Cuypers, Noorderhaven, & Bensaou, 2013; Laeequddin, Sahay, Sahay, & Waheed, 2012).

The model proposed by Mayer et al. (1995) is presented in figure 3.1. The feedback loop from the outcomes of RTR to the perceived characteristics of the trustee encapsulates the dynamism of the model's view of the construct.

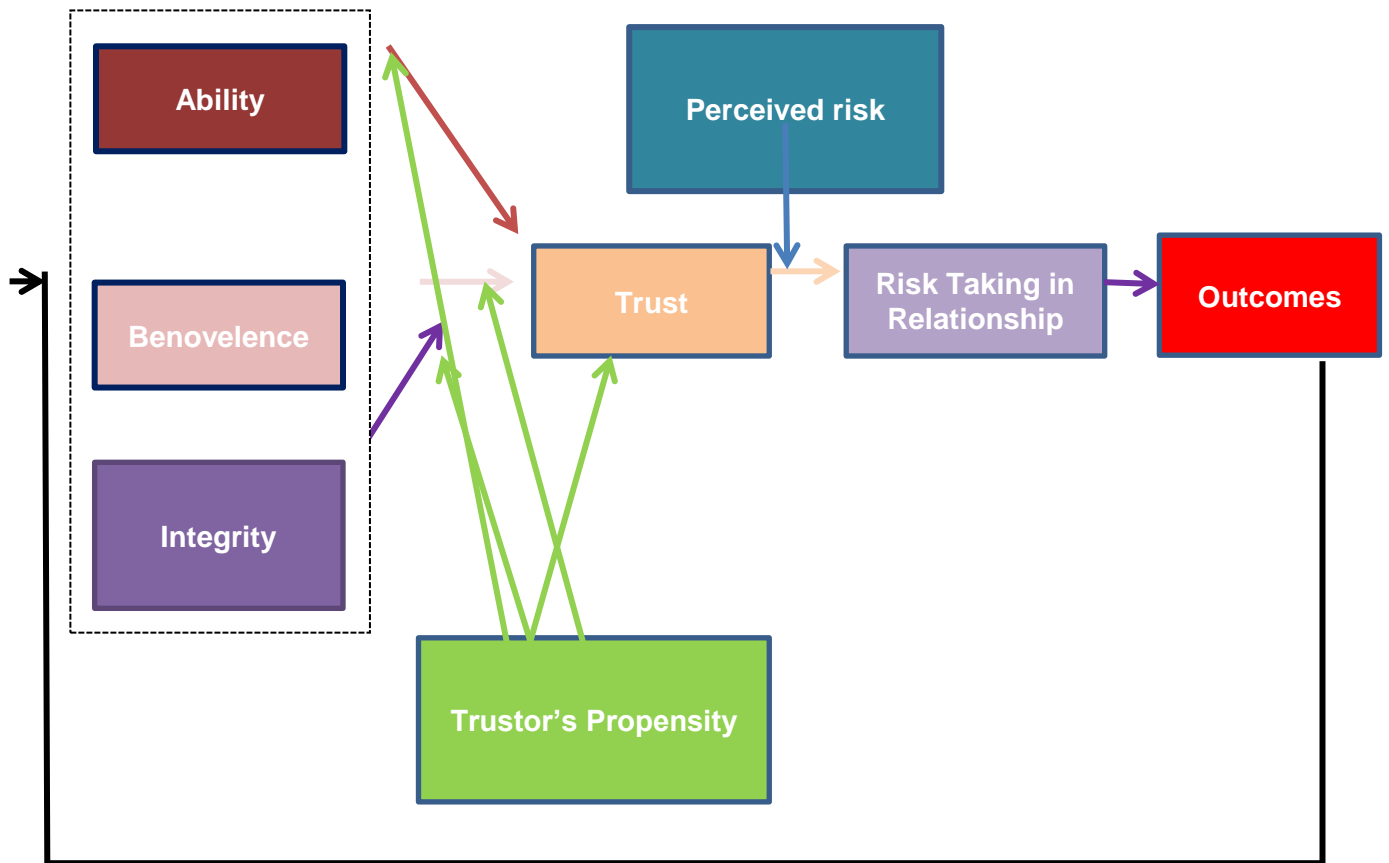


Figure 3.1: Mayer et al. (1995): Integrative model

In summary it may be said that the model proposed by Mayer et al. (1995) remains one of the influential organisational trust models despite the obscure role of culture and context. Subsequent discussions by the same researchers regarding the role of culture and context have enhanced the usefulness of the model (Schoorman et al., 2007). The next section discusses Mishra's trust model.

3.3.2 Mishra's Trust Model

Another prominent trust model that developed at virtually the same time, but independent of the model proposed by Mayer et al. (1995), was that of Mishra (1996). Mishra (1996) conceptualised trust as a moderator of three key behaviours that organisations manifest during crisis, namely, decentralised decision making, undistorted communication and collaboration. The model posits that these three behaviours are influenced by trust and that they have a subsequent influence on trust, subject to whether the organisational outcomes are positive or negative. For example, decentralised decision making may lead to positive outcomes such as reduction in turnaround time and excellent customer service or else to

negative outcomes such as poor customer service as a result of subordinates' incompetence. Subsequent influence will occur because trust will increase following the positive outcomes or decline as a result of the negative outcomes (Mishra, 1996).

Within organisational settings trust is assumed to have a positive influence on the following three aspects of organisational behaviour, namely, decentralised decision making, undistorted communication and collaboration.

3.3.2.1 Trust and organisational behaviours

This section discusses the three abovementioned behaviours that organisations manifest during crisis. As already stated, Mishra (1996) posited that the relationship between the three behaviours and trust may be bi-directional, depending on whether the organisational outcomes are positive or negative.

(a) Decentralised decision making

Decentralised decision making refers to the extent to which the authority to make decisions permeates the lower levels of the organisational hierarchy. As discussed in chapter 2, within the management domain, delegating authority to lower level employees has been associated with employee empowerment. The notion of employee empowerment is linked to organisational practices such as job enrichment and job autonomy.

Mishra (1996) maintained that the dynamic between decentralisation and trust is both bottom-up and top-down. The implication of this statement is that the relationship depends on the extent to which management trust employees and the extent to which employees trust management.

According to Mishra (1996), trust plays a vital role in enhancing decentralised decision making. Decentralising decision making to lower levels increases dependence on the lower levels and entail greater risks than may otherwise have been the case. Dependence occurs because the locus of authority and control has been ceded to the lower level employees who previously did not possess such authority and control. In addition, risk occurs because of the possibility of opportunism, incompetence or even ignorance on the part of those entrusted with authority. Mishra's argument is that accepting dependence or risk is central to trusting behaviour while trust, as a belief, facilitates trusting behaviour.

(b) *Undistorted communication*

Undistorted communication is explained as the extent to which one party provides candid and truthful information to the other party. The trustor or the one party develops trust in the trustee or the other party as a result of the communication of undistorted information (Mishra, 1996). Mishra (1996) referred to trust as a prerequisite to undistorted communication. Trust facilitates the sharing of information or knowledge in an honest manner. In management studies information or knowledge is viewed as a critical resource that may provide an organisation with the sought after competitive urge (Aadne et al., 1995; Wathne, Roos, & Von Krogh, 1995). Communicating and the sharing of information is an intricate process in organisational settings. For example, Das and Kumar (2011) highlighted the intricacies of information or knowledge sharing in alliances. The likelihood of openness and willingness to share information depends on whether the dominant coalition in the alliance has either a promotion or prevention focus – see earlier discussion.

Whether within or across organisational boundaries the sharing of information entails the possibility of risk emanating from opportunism, incompetence or ignorance on the part of the trustee (Inkpen & Currall, 2004; Lumineau et al., 2011). Risk is inherent in both top-down and bottom-up communication in organisations. Mishra (1996) observed that communicating information candidly and honestly is contingent on the belief on the part of organisational members that they will not be victimised, reprimanded or disciplined. In settings in which suspicion rather than trust reigns supreme, communication is often characterised by deception. In inter-organisational relations the sharing of information may also entail the risk of the trustee revealing information to the competitors of the focal organisation. In addition, trust is reduced when deceptive and misleading information is communicated to the trustor by the trustee (Mishra, 1996).

(c) *Collaboration*

Trust is regarded as a *sine qua none* for collaboration (Mishra, 1996). Trust enables individuals, groups, teams or organisations to forego their personal or sectional notions of aggrandisement in order to satisfy their mutual needs. It is important to note that collaboration does not negate the notion of competition. Instead it recognises the significance of competition in as far as it focuses one's own interests on one's survival. Collaboration may transcend sectional interests by incorporating joint interests and also mutually agreeable outcomes (Mishra, 1996). Competition is perceived as essential for the survival of the group, team or organisation. However, the collaborating parties are able to

overcome the appeal of competition and recognise their interdependence. Cross-functional teams and inter-organisational partners are able to collaborate over resource allocation and achieve what neither of the parties would achieve individually (Bouncken et al., 2012; Park et al., 2014; Reutzel et al., 2012).

In line with the existing literature on organisational trust, Mishra (1996) developed a model of trust that specified competence, openness, concern and reliability as the dimensions of trust. The data collected from interviews with 33 managers yielded support for these four dimensions.

3.3.2.2 Mishra's four dimensions of trust

This section expounds on the four dimensions that are central to Mishra's (1996) model of organisational trust.

(a) Competence

Competence is seen as a dimension that exists between individuals as at an interpersonal level, intra-organisationally as in employees' trust in management or the organisation and inter-organisationally as between an organisation and its suppliers and other partners (Mishra, 1996). As a dimension of trust competence refers to the extent to which the other party believes that the organisation will survive and deliver on its obligations because it possesses the required expertise and ability at both the technical and the managerial levels (Brahma & Chakraborty, 2009). Thus, it refers to the belief the one partner believes that the partnering organisation is competent both to survive and do well in the market. The competence dimension focuses on the positive beliefs or expectations that one organisation holds about the partnering organisation's future behaviour. It is, thus, concerned with the ability of the partnering organisation to perform according to expectations or the manner promised (Pirson & Malhotra, 2007; Şengün & Wasti, 2011).

(b) Openness

Openness refers to the extent to which one party allows the flow of information to the other party in a relationship (Nielsen, 2011). Openness, as a dimension of trust in business alliances, relates to the flow of information between the alliance partners. This may include critical information, including information on issues such as access to markets or R&D.

Openness reveals the extent to which the partners in an alliance are willing to share information and, thus, to trust each other (Mishra, 1996; Nielsen, 2011; Zhang, 2011).

While openness is a desirable dimension of trust, Mishra (1996) cautioned that openness beyond a certain level may impair and have deleterious consequences for trust rather than enhancing it. Such openness may impinge on the other dimensions of trust. For example, excessive openness with elaborate detail may involve revealing to someone the complete truth about one's character. Such a disclosure may reflect extreme honesty but it may also contemporaneously impinge adversely on the overall trust level by lowering the competency dimension.

(c) *Concern*

As regards the dimension of concern trust may exist among individuals within the same hierarchy and also across organisational hierarchies as in the case of the supervisor who is trusted by subordinates because she cares more about the company. However, this does not signify that the individual manager lacks self-interest. According to Mishra (1996), in the lexicon of trust, concern implies that individual self-interests are balanced by interests in the welfare of employees or alliance partners. Also referred to as the caring dimension, it is regarded as the balancing of one's self-interests with the interests of others. Caring encompasses the confidence that something that the one party to the alliance holds in esteem will be protected and not be harmed by the other party to the partnership.

The concern dimension of trust is similar to the notion of benevolence (Mayer et al., 1995). Both refer to the trustor's belief that the other party cares for him/her and has his/her interest at heart (Boersma, 2003; Gill et al., 2005; Mayer et al., 1995; Mishra, 1996; Schoorman et al., 2007).

(d) *The reliability dimension*

Trust in terms of reliability is explained by Mishra (1996) as one's consistency between words and actions. Trust refers to the extent to which one party to the relationship believes the other party is both consistent and dependable. Trust in terms of reliability is discernible among individuals, within organisations in terms of subordinates trusting management and across organisations as in the case of a business alliance. Past experience with the other party is of crucial significance in evaluating the reliability of a party to the relationship. In the context of business alliances, the consistency dimension of trust refers to the expectations

an organisation holds about a partner as based on the latter's past behaviours. These expectations are informed by the partner's past behaviour (Connelly et al., 2012). Consistency in business alliances means that the one party to the alliance shows consistent behaviour so that the other party knows what to anticipate (Brahma & Chakraborty, 2009; Parkhe, 1998). Consistency in doing business with the partner and the historical pattern of doing business with other organisations both increase trust (Sklavounos & Hajidimitriou, 2011). Thus, in organisational settings, reliability may be conceptualised at the level of the individual as in terms of the contact person or at the level of relationships with certain organisations. Zhang (2011) found that the reliability of the contact person exerts a positive influence on trust in business relationships.

The finding that prior experience with the alliance partner has a valuable effect on trust is in line with existing literature on organisational trust (Connelly et al., 2012; Nielsen, 2011). Similarly, the finding that the duration of the alliance has a positive effect on trust is consistent with past research on inter-organisational trust (Schoorman, 2007). It has also been argued that partners who have been involved in alliances for longer are assumed to experience both a higher level of trust from their alliance partners and also lower transaction costs related to uncertainty than those who have been in alliances for shorter periods (Aalbers, 2010). It may be that Connelly et al. (2012) were correct when they stated that the expectations that a focal organisation holds about a partner are informed by the partner's past behaviour. Bergh et al. (2011) opined that trust between alliance partners is strengthened by positive exchange experiences.

Mishra (1996) proposed that trust be viewed as a combination of the four dimensions discussed above. In other words the four dimensions are components of the overall trust construct. According to Mishra (1996), the four dimensions combine multiplicatively in shaping the overall degree to which the trustor trusts the trustee. This degree of trust is enhanced by the presence of trust along the various dimensions. In addition, low levels of trust along any of the dimensions counteract high levels of trust in terms of the other dimensions. For example, a manager who embodies trust in the perception of his/her subordinates would be expected to be competent in executing his/her duties, open in his/her communication with subordinates, concerned with the welfare of the subordinates and consistent in allocating resources. If a manager is high in the first three dimensions but employees have observed nepotism, cronyism or other forms of favouritism in the manager's behaviour, they may be expected to have a low level of trust in the said manager.

Mishra's (1996) multidimensional notion of the concept of trust is applicable to different referents and levels of analysis. Trust may be investigated between individuals, within groups, in organisations and across organisational boundaries. The utility of Mishra's (1996) model is illustrated by the host of studies that have adopted and adapted the model (e.g. Mansor & Mirahsani, 2012).

In short, it may be stated that the concept of organisational trust has been well researched. Researchers on organisational trust have investigated the utility of the construct and developed models that seek to explain the concept. Two of the most influential models were discussed above. These two models were developed simultaneously but independently. The two models continue to attract the interest of many researchers on organisational trust. It may be concluded that trust is essential in the establishment and sustaining of relationships. Trust represents an attitude or belief of the trustor about the characteristics of the trustee. The fact that trust is linked to the trustor precludes the notion of mutuality. It is the trustor who renders him/herself vulnerable to the actions of the trustee. Rendering oneself vulnerable implies that the trustor has something of importance to be lost. The notion of trust has been shown to be crucial in relationships between individuals, employees, superior-subordinate and even across organisational boundaries between current and erstwhile business competitors. However, trust in the context of business alliances, especially between business competitors, may be difficult both to contemplate and to cultivate as a host of other factors are likely to affect the trust in business alliances. However, it is essential to first understand how the existing literature conceptualises the evolution of trust in business alliances.

3.3.3 Evolution of trust in alliances

The following discussion focuses on the notion of alliance evolution. This evolution has often been given prominence in the development of organisational trust.

3.3.3.1 *Pre-alliance formation*

Trust in pre-alliance formation is viewed as encompassing the process of partner selection (Sklavounos & Hajidimitriou, 2011). In Nielsen's (2011) view, selecting a good partner is the first and critical step in the process of alliance forming and involves a series of choices and decisions. The process of partner selection appears to be extremely complex as is illustrated by the diverse points of view relating to the criteria for selecting a partner. For example, Lavie et al. (2011) regarded resource complementarity and knowledge characteristics as

important in partner selection while Das and Teng (2003) viewed a match in terms of goals and strategies as important criteria for partner selection.

The parties first amass as much information as possible about each other. The minimum degree of trust or the first impressions that exist in an alliance are viewed as a major determinant of the level and quality of the cooperation that will develop between the parties (Nielsen, 2011). This stage is similar to the anticipation stage that involves envisioning the possibilities, ideas and dreams of the alliance (Spekman et al., 1998). It is essential that managers articulate the strategic objectives of the alliance and formulate the requisite criteria for a potential partner. Kanter (1994) equated alliances to romances and observed that the foundations of both are built on hopes and dreams. The nature of the interaction at the early stage of the alliance and the motive for the alliance both determine the type of trust that characterises the alliance at this stage (Nielsen, 2011). The good or bad experiences that managers undergo through the interaction with their partners determine the type of trust that develops between the two parties.

3.3.3.2 Implementation phase

The implementation phase follows partner selection and is characterised by the partners signing the contracts and then implementing both the formal and informal controls and the monitoring measures. The initial interaction and type of trust characteristic of the pre-alliance phase determine the type of trust prevalent in and the governance mode of the alliance (Nielsen, 2011). For example, the presence of trust between the partners implies that the administrative and monitoring measures may not be elaborate (Gulati, 1995). If the risk of opportunism on the part of a partner who wants to learn or access information is high, a partner to the alliance may implement both formal and informal procedures and measures that may reduce the transfer of knowledge or learning (Das & Teng, 2000). Nielsen (2011) stated that, under such conditions, calculative and deterrence trust manifest in specific, pre-defined knowledge only being transferred or made accessible. The conditions which evolve may impact on the decisions about the controls that the partners may want to implement. For example, higher levels of trust minimise the use of and reliance on controls in a partnership. On the other hand, extensive use of formal controls may inhibit the development of trust (Inkpen & Currall, 2004).

Thus, trust and controls as articulated in contracts may co-exist with both being significant ways of minimising and managing risk (Malhotra & Lumineau, 2011). As it has been emphasised, the two mechanisms are not mutually exclusive. When risk is high and trust is

low in an alliance relationship, the formal controls may bridge the difference by decreasing the perceived risk to a lower level so that the level of trust may address the perceived risk (Schoorman et al., 2007).

The implementation phase is similar to the engaging, valuing, co-ordinating and investing phases as proposed by Spekman et al. (1998). During the engaging phase, dreams are converted into reality as the parties address their mutual expectations. The valuing phase involves the negotiation of terms and conditions, the assessment of the relative contribution of the assets and the determination of the resultant benefits. This stage is also referred to as the commitment stage as the perceived economic self-interest of the party as regards the venture is the main source of trust (Boersma et al., 2003). The integration of the business activities of the alliance occurs during the co-ordinating phase. Co-ordination seeks to ensure that the anticipated leverages are realised while the vision is translated into a reality as the assets are dedicated in a practical way to the activities of the alliance during the implementation phase (Boersma et al., 2003; Mohr, Garnsey, & Theyel, 2013).

Social bonds become influential during the implementation phase because people are forced to listen to each other more when things do not go according to plan and communicate openly and honestly and work in order to reach consensus (Boersma et al., 2003).

3.3.3.3 *Evaluation phase*

The evaluation phase entails the evaluation of the functioning and outcomes of the alliance. In the event of incongruity in terms of the goals and strategies of the partnership, realignments are made. Such adjustments enable modification in the perceptions of trust of the parties. This phase resonates with stabilising as proposed by Spekman et al. (1998). Stabilising involves the actual management and refining of the alliance to keep it on track. Alliance performance is measured in tangible terms.

Research has revealed that post alliance formation dynamics necessitate the flexibility and adaptation which are viewed as pivotal aspects of collaborative strategy (Reuer, Zollo, & Singh, 2002). During the post alliance formation stage, alterations in alliance contracts as well as changes in boards and supervisory committees and monitoring mechanisms have been reported (Reuer et al., 2002). Flexibility is an essential attribute that the partners should possess as it enables adaptation when circumstances change. However, the hazards of unlimited flexibility include opportunistic behaviour on the part of partners (Parkhe, 1998).

Table 3.2: *Evolution of alliances and organisational trust*

Phase	Description of trust related activity
Pre-alliance	An alliance partner is selected based on the information available to the trustor (which may refer to the trustee's ability or integrity or any combination of factors), previous history or first impressions.
Implementation	The partners sign contracts and implement both formal and informal controls and monitoring measures, depending on the initial interaction and type of trust which characterised the pre-alliance phase. For example, if a higher degree of trust exists between the partners the administrative and monitoring measures instituted may not be elaborate (Gulati, 1995) although, if the risk of opportunism is high, formal and informal procedures and measures may be implemented in order to minimise such risk.
Evaluation	The partners observe whether there are incongruities that necessitate refining and adjustments in order to keep the alliance on track. For example, alterations in contracts or changes in monitoring mechanisms or committees may be effected.

The preceding discussion on the three phases clearly suggests that the perceptions of trust co-evolve with the business alliance. However, the initial trust has been shown to be crucial in respect of subsequent interactions (Stokes et al., 2010). Camén et al. (2011) have demonstrated that, in certain settings, it is imperative to put in place formal contracts should it be impossible to anticipate trust in advance. In all such settings, where trust is seen as co-evolving with the alliance, where initial trust is perceived as crucial or where it is not possible to anticipate trust in advance, and throughout the phases of the alliance, the relationship between trust and the other alliance processes is viewed as multi-directional (Nielsen, 2011). In other words, it is viewed as both a cause and effect of partner selection, contract negotiation, control and monitoring and knowledge sharing (Camén et al., 2011; Nielsen, 2011).

Research has not been consistent on the question of whether trust in alliances co-evolves with the relationship. It is possible to infer from the mixed empirical evidence that this question is more convoluted than it may originally have seemed (Ekici, 2013). It may be that the nature of the inter-organisational relationship has a vital role to play in answering the question regarding the co-evolution of trust with the alliance relationship. Alliances have been broadly classified on the basis of the purpose of and the parties to the alliance. The purpose of an alliance refers to whether the alliance was established in order to fulfil a

strategic or operational role while alliance parties may be in an alliance with either competitors or non-competitors (Bengtsson & Kock, 2014). Clarke-Hill, Robinson and Bailey (1998) refer to a hierarchy of alliance types based on the degree of commitment and infrastructure linkages between the alliance partners. This includes loose affiliations, national buying clubs, co-marketing agreements, international alliances with central secretariats, equity participating alliances, joint ventures, partial acquisition and equity participation and controlling interest or full merger with the retained identity of subsidiary (Clarke-Hill et al., 1998; Gomes et al., 2014).

Pucik (1988) classifies partnerships in terms of those that seek to acquire visible resources and those that seek to acquire or access invisible assets. Visible resource leveraging may include acquiring or accessing resources such as land, money, patents, equipment, etc. These assets are visible, explicit and easy to quantify. On the other hand, invisible assets refer to competencies that cannot be readily assessed and which are difficult to quantify. They include management and organisational skills, technological capability and knowledge of the market. In other words, invisible resources are embedded in people.

As regards the premise that trust in an alliance evolves with the relationship, Ekici's (2013) study has shown the complexity of such an argument. The results of Ekici (2013) highlighted the centrality of the type of alliance and the role of the alliance partner. In the relationship between exchange partners, suppliers and buyers were asked whether they thought that trust differed between long-term and newer suppliers or buyers. In the case of the suppliers trust differed between short-term and long-term partnerships as was revealed by the higher levels of trust with longer-term buyers compared to those with shorter-term buyers (Ekici, 2013). It is possible that trust in the newer buyers may still have been evolving. However, for the buyers, trust did not differ along the lines of the long or short-term suppliers. In the view of Ekici (2013), a plausible explanation for this difference may be located in their varying notions of trust. For example, the level of trust between partnering organisations or supplier and buyer has little to do with the intention to remain in the relationship. Thus, although trust may either increase or decrease, it may not be related to relationship intentions (Ekici, 2013). In addition, lower levels of trust affect an organisation's exchange related decisions while higher levels of trust beyond a certain threshold do not appear to have an effect on such decisions (Jiang *et al.*, 2013).

Research into the nature and role of organisational trust in inter-organisational relations has revealed that trust enables organisations to create leverages by pooling their resources (Bachmann & Inkpen, 2011) and facilitates coordination and co-operation between people

(Paliszkiewicz & Koohang, 2013). In addition, high trust relations lead to high alliance performance (Sousa-Lima et al., 2013; Stanley & McDowell, 2013). The following section elucidates the crucial role of organisational trust in business alliances.

Before discussing the existing research on organisational trust, it is essential to recapitulate in order to amplify those aspects of the discussion that are central to this study. The intention is, however, not to repeat what has already been presented. The models propounded by Mayer et al. (1995) and Mishra (1996) are distinct but also similar in some respects and have been widely espoused in organisational research. According to the model proposed by Mayer et al. (1995), trust is, to a large extent, determined by the trustor's propensity to trust as well as his/her perceptions of the trustee's trustworthiness. The trustor's views of the trustee's trustworthiness are epitomised by perceptions of ability, benevolence and integrity. On the other hand, Mishra (1996) conceptualises trust as determined primarily by the four components or dimensions which he believed encapsulated the content domain of the literature on trust, namely, competence, openness, caring and reliability. The similarities between the two models are presented in table 3.3. In the table the model proposed by Mayer et al. (1995) is used to highlight the similarities between the two models. In brief, one may contend that the differences are merely matters of terminology or expressions. For example, Mayer et al. (1995) referred to ability and benevolence which are similar to Mishra's (1996) competence and caring components. In both models trust, as a concept, is anchored in the notions of vulnerability, expectations and beliefs. However, the model proposed by Mayer et al. (1995) identified that a trustor's propensity or tendency to trust may influence the formation of trust, especially during the initial stage of the relationship. The model of Mayer et al. (1995) reveals that the trustor's characteristics play a vital role in the formation of trust. Thus, it may be said that, in this way, the model of Mayer et al. (1995) is more convincing than that of Mishra (1996). As a result, the model proposed by Mayer et al. (1995) is more relevant to the purposes of this study. In addition, the integrated theoretical model proposed in this study bears a resemblance to the model proposed by Mayer et al. (1995). The latter model is also favoured because, in their follow up work, Mayer and his colleagues (Mayer et al., 1995) noted the deficiencies of their integrative model of organisational trust (Schoorman et al., 2007) and identified previously overlooked emotions and factors such as culture and context as worthy of consideration in the study of organisational trust.

Table 3.3: *Comparison between the models*

Author	Vulnerability	Expectations	Beliefs	Propensity to trust	Ability	Benevolence	Integrity
Mayer et al. (1995)	Yes	Yes	Yes	Yes	Ability	Benevolence	Integrity
Mishra (1996)	Yes	Yes	Yes	No	Competence	Concern	Openness and reliability

3.3.4 Research on organisational trust

To recapitulate, the existing research on trust models discussed up to this point represents only a minute, but meaningful, exposé of the vast theory of and corpus of knowledge on organisational trust. The depictions and labels used to describe the construct of trust and other attendant constructs may vary but, as shown above, they tend to convey analogous meanings. For example, some researchers in the literature refer to goodwill trust which is analogous to the concern dimension of trust of Mishra (1996) and the benevolence dimension of trust in the case of Mayer et al. (1995). It has already been stated that concern implies that individual self-interests are balanced by interests in the welfare of others (Mishra, 1996).

There are also similarities in the concept of competence. In the view of Mishra (1996), competence refers to the extent to which one party believes that the partnering organisation will survive and deliver on its obligations because the partnering organisation possesses the required expertise and ability at both the technical and the managerial levels (Brahma & Chakraborty, 2009; Şengün & Wasti, 2011). Competence is associated with the construct of the trustee's ability in the integrative model of organisational trust (Mayer et al., 1995). Perceived ability has been described as the trustor's belief that the trustee will accomplish the specific task to be performed.

The preceding discussion on research on trust is significant as it identified the connections between the various constructs which have been used by different researchers in different models, especially in the literature in business alliances. The discussion is, therefore, significant as it pinpoints and illuminates analogous constructs that may be used interchangeably in the subsequent discussions. It must be noted that the preceding discussion on trust models is not exhaustive.

A considerable body of research based on or deriving from the models proposed by Mayer et al. (1995) and Mishra (1996) has been reported. The body of knowledge on trust is varied and includes studies that conceptually borrow from Mayer et al. (1995) and Mishra (1996) as well as those that studied the trust construct vis-à-vis organisational outcomes such as performance (Christoffersen, 2013; Silva et al., 2012; Stanley & McDowell, 2013).

The risks associated with alliances have been highlighted by, among others, Gill et al. (2005); Ikpen and Currall (2004) and Lumineau et al. (2011). It has already been argued, in line with the model proposed by Mayer et al. (1995), that vulnerability reveals that the focal organisation has something of importance to be lost. In other words, there is risk. However, one “does not need to risk anything in order to trust, however, one must take a risk in order to engage in trusting action” (Mayer et al., 1995, p. 724). Thus, it may be restated that trust leads to risk-taking in a relationship but that the level of trust determines the degree of risk the focal organisation is willing to take. Thus, the greater the buyer’s goodwill trust in the seller the higher the buyer’s risk-taking tendency (Şengün & Wasti, 2011). The literature review has revealed that the risk emanating from uncertainty may be excessive when a trusting action is engaged in, for example, forming and managing an alliance (McCarter et al., 2011; Mohr & Puck, 2013; Silva et al., 2012). Trust would become superfluous if it were possible actions were to be taken with absolute certainty and there were no risks involved.

The preceding discussion alluded to the notion of risk that inter-organisational relationships such as alliances inadvertently foster. However, the literature review on alliances and knowledge management distinguish between public and private knowledge with the former being non-exclusive and the latter being exclusive to the focal organisation (Matusik & Hill, 1998). The phenomenon of risk necessitates the crafting of governance mechanisms such as elaborate contracts. Such contracts often anticipate and restrict opportunism so that the interests of the alliance are protected from a partner’s opportunism (Malhotra & Lumineau, 2011). However, contracts also provide a significant framework within which co-operation between the partners may proceed (Camén et al., 2011; Gulati, 1995). Generally, formal mechanisms and procedures such as contracts are significant as they regulate the relationship between the parties to an alliance.

However, research has also highlighted the inadequacy of formal contracts in wholly regulating behaviour in organisations (Aalbers, 2010; Botha & Moalusi, 2010). Malhotra and Lumineau (2011) noted how contracts may, simultaneously, have both favourable and adverse effects. Jiang et al. (2013) viewed both trust and contracts as significant governance mechanisms that may assist in reducing opportunistic behaviours such as knowledge

leakage and appropriation. In the case of knowledge leakage, Jiang et al. (2013) found no evidence to support the hypothesis that formal contracts were negatively associated with the likelihood of knowledge leakage. Yang et al. (2011) noted that, in weak dyad relationships, both formal control and trust reduce opportunism. In addition, in relationships characterised by strong ties, relationship trust significantly reduced opportunism although formal control did not significantly reduce opportunism (Yang et al., 2011). The issues of trust and contracts, as well as that of knowledge appropriation, are dealt with in detail later in this chapter.

When forming business alliances, organisations may have both collaborative and competitive motives. However, as Jiang et al. (2013) noted, good partners are transparent and manifest stronger collaborative intent compared to their less acceptable counterparts. Nevertheless, the risk of either intentional or unintentional leakages, as when the partner appropriates the focal organisation's private knowledge have been reported both to reduce and to erode the trust in business alliances (Jiang et al. 2013).

Trust involves willingness to take risk (Mayer et al., 1995). The integrative model of Mayer et al. (1995) also proposed risk taking in relationship (RTR) as the outcome of trust or behaviour that trust may predict. The integrative model asserted that trust cultivates risk taking while the study by Colquitt et al. (2007) revealed a moderately strong relationship between trust and risk taking. One of the crucial facets of the integrative model of organisational trust is that trust may transcend the expectations that trustworthiness may inspire by simultaneously invoking the construct of propensity to trust (Mayer et al., 1995).

3.3.4.1 Antecedents of trust

This section focuses on the research on the construct of trustworthiness and the antecedents of trust in business alliances. The section begins by re-stating the elements of trustworthiness and briefly reiterating its relationship with both trust and propensity to trust. Briefly, trustworthiness is characterised by three antecedents, namely, ability, benevolence and integrity (Mayer et al., 1995) or, in the view of Mishra (1996), the dimensions of competence, openness, concern and reliability. However, irrespective of the labels these antecedents/dimensions may assume in various models, they remain a vital aspect of most organisational trust theories and models (Boersma et al., 2003; Mayer et al., 1995; Mishra, 1996; Schoorman et al., 2007). As existing literature revealed willingness to be vulnerable is partly the result of the trustor's perceptions of the trustee's trustworthiness (Heyns & Rothman, 2015; Levin et al., 2006).

Perceived ability was earlier explained as the trustor's belief that the trustee will accomplish the specific task to be performed, perceived benevolence as the trustor's belief that the trustee is caring and will not work against the trustor's interests and perceived integrity as the trustor's belief that the trustee is committed to a set of acceptable principles. A distinction was also made between trust and propensity to trust. Propensity to trust was referred to as the stable component or individual difference that influences the likelihood that the trustor will trust. Accordingly, Mayer et al. (1995) posited that willingness to trust is influenced by both trustworthiness and the trustor's propensity to trust. As Kramer (1999, p. 576) observed, individuals' judgements about others' trustworthiness are partly predicated "on their *a priori* expectations about others' behaviour. Second, and relatedly, those expectations change in response to the extent to which subsequent experience either validate or discredit them".

Gill et al. (2005) tested the influence of disposition to trust on intention to trust. Their study revealed that the participants' disposition to trust correlated with their intention to trust only when the information regarding the ability, benevolence and integrity about the trustees was ambiguous. There was no correlation when the information was clear. Most of the existing research on organisational trust has repeatedly highlighted the notion that trustworthiness is associated with high trust (Dowell et al., 2013; Heyns & Rothman, 2015). However, there appears to have been little light shed on the complexity of the intricacy of the interplay between propensity to trust, trustworthiness and intention to trust (Gill et al., 2005; Heyns & Rothman, 2015).

As previously stated, Tan and Lim's (2009) study incorporated two types of trust foci, namely, trust in co-workers and trust in organisations. As already explained, trust in organisations refers to the willingness of employees to be vulnerable to the behaviour or actions of the organisation. In their view, trust in co-workers influences trust in the organisation. The social environment in which employees operate provides cues that the employees may use to model their attitudes and behaviour. The roles of the antecedents, termed factors of trustworthiness by Mayer et al. (1995) and referred to earlier, are vital as they tend to influence employees' perceptions of trust in their co-workers. Perceptions of similarities with co-workers may influence the attitudes and behaviours of co-workers.

In this regard, the central role of the communication becomes obvious (Mansor & Mirahsani, 2012). As revealed by Paliszkievicz and Koochang (2013), organisational trust may be adversely affected if work responsibilities are not clearly communicated to employees. Either at lack of or the presence of ambiguous information communicated by the formal

organisation may result in employees relying on the social environment in order to derive interpretations. Hence, influence occurs because employees who regard their co-workers as trustworthy model their behaviour and actions on such co-workers. The perceptions of the trusted co-workers as to whether organisational actions are beneficial or detrimental are influential because they impact on perceptions of trust in the organisation (Tan & Lim, 2009).

Tan and Lim (2009) further postulated that trust in organisations is a mediator of relations between trust in co-workers and organisational commitment and performance. The presence of trust in co-workers affects organisational outcomes through trust at the organisational level. However, this is not to imply that there is a direct positive relationship between trust in co-workers and organisational commitment but rather that the positive relationship between trust in co-workers and organisational commitment is mediated by trust in the organisation. Similarly, because organisational performance is an organisational-level attitude, the positive relation between trust in co-workers and organisational performance is mediated by trust in the organisation.

Regarding the antecedents of trust, the Tan and Lim (2009) revealed that benevolence and integrity were significantly and positively related to trust in co-workers. A lack of research support for the antecedent of ability suggested that the ability of co-workers was not related to trust in co-workers. A conceivable explanation for this latter finding may be found in the Chinese culture which emphasises traditional values such as benevolence and other ethical conducts while the nature of the job of, for example, an insurance agent may not involve ability as an important factor in establishing trust in colleagues. Tan and Lim (2009) also revealed that trust in co-workers is significantly related to trust in organisations. Trust in organisations significantly mediated the relation between trust in co-workers and organisational commitment and between trust in co-workers and performance (Tan & Lim, 2009). The significance of culture was highlighted by Zur et al. (2012) who found that perceived culture distance was negatively and significantly related to cognitive trust. However, perceived culture distance was not significantly related to affective trust.

A significant inference that may be made from Tan and Lim (2009) is the fundamental ways in which culture may affect trust through either the antecedents of trust or the elements of trustworthiness and propensity to trust. Influential cultural values may illuminate the understanding of the findings by Tan and Lim (2009). It has become an accepted fact that people live in societies and operate within cultures (Asante, 1992). Cross-cultural studies have provided broad generalisations with regard to the cultural orientations of different societies (Das & Kumar, 2011; Hofstede et al., 2010). When examined vis-à-vis the

phenomenon of culture, trust may vary with either the individual beliefs or common beliefs among a group of people with these beliefs being rooted in the culture of the individual or group (Fadol & Sandhu, 2013).

An interesting study was conducted by Levin et al. (2006). Citing previous literature Levin and his colleagues hypothesised that benevolence trust may be built on three different bases. Firstly, people make inferences based on prototypes. Prototypes refer to cognitive representations and other defining characteristics including the feelings, attitudes and beliefs of a group and distinguish the group in question from other groups. People are, therefore, attracted to a group by the impersonal prototypical attributes associated with the group. The ensuing trust may then become depersonalised as it will be based on some category of membership such as race or national origin.

Secondly, the process of interaction and the interpretation of each other's behaviour is seen as a basis for trust. In interpreting each other's behaviour people tend to reciprocate. While organisations form alliances for a variety of reasons, research has also revealed that reciprocity motives have a significantly direct effect on trust. Partners were found to be more trusting when they perceived reciprocity motives (Nicolaou et al., 2011).

Thirdly, people trust each other because they share perspectives. During the process of interaction, people observe the behaviour of others. The extent to which they share perspectives with other individuals forms the basis of the trust expectations. However, the length of the relationship may also shape the relative importance of the three bases of trust (Levin., et al., 2006). Levin et al. (2006) posited that, in new relationships, people rely on the demographic information of others as they assume that they share the same perspectives. As the length of the relationship grows the trustor begins to process the observed behaviour which may either support or disconfirm the inferences drawn from the group prototypes. Prototypical demographic information ceases to be emphasised as behavioural information takes precedence. Lastly, as the relationship length continues to grow behavioural information about others increases and becomes organised into individualised schema which are associated with a shared perspective. This shared perspective becomes associated with trust rather than specific behaviours (Levin et al., 2006).

The study conducted by Levin and his colleagues (Levin et al., 2006) revealed that relationship length moderated the positive association between demographic similarity, for example, same gender, and level of trust – the newer the relationship the stronger the reported association. However, same age as a demographic similarity was not supported by the study findings (Levin et al., 2006).

Relationship length also moderated the positive association between trustworthy behaviours and level of trust. The association was found to be stronger for intermediate relationships and weaker for newer and older relationships (Levin et al., 2006). The relationship length also moderated the positive association between shared perspective and level of trust – the older the relationship the stronger the association (Levin et al., 2006). The overall results of Levin and his team (Levin et al., 2006) revealed that relationship length did not have a direct association with a trustor's trust in the trustee.

Colquitt et al. (2007) conjectured about the unique impact of each of the three antecedents on levels of trust. Citing the question as of whether ability or character is sufficient for fostering trust, they surmised that there are sound theoretical reasons to expect a unique relationship between these two traits and trust. Ability may be related to what is generally referred to as the “can-do” component of trustworthiness because it describes the skills and knowledge required to enable the trustee to act appropriately. According to Mansor and Mirashani (2012), the decision of employees to stay with the organisation and engage with their work is also determined by the employees' perceptions of the competent decisions that their managers make. Character, on the other hand, encapsulates the “will-do” component of trustworthiness as it describes whether the trustee will choose to utilise his/her skills to serve in the interests of the trustor in the best possible way.

Colquitt et al. (2007) supported the importance of all three dimensions of trustworthiness and found that the three antecedents of trust or components of trustworthiness, namely, ability, benevolence and integrity, had unique, significant relationships with trust. Elucidating this finding, Colquitt et al. (2007) attributed these positive relationships to the argument that the trustworthiness dimensions reflected both the cognitive-based and the affective-based sources of trust. Cognitive, also known as rational, trust is associated with beliefs about ability, dependability and competence while affective trust is grounded on reciprocal feelings, care and concern (Das & Teng, 1998). The dimension of reliability refers to the extent to which the focal organisation believes the other party is consistent while competence refers to trustor's belief that the trustee has the ability to perform as required (Johnson & Grayson, 2005; Webber, 2008).

Cognitive and affective trust have been found to be highly correlated but also distinguishable and with unique antecedents (Johnson & Grayson, 2005). It may be contended that that ability manifesting as skills and capabilities together with integrity in the form of values and principles may be supplemented by benevolence which will manifest as an affective acknowledgement of the mutual concern inherent in the relationship (Johnson & Grayson, 2005). The role of the length of the relationship between the partners has been shown to impact on trust in more complex ways (Levin et al., 2006). For example, judgements of ability and integrity are quick to form in the course of the relationship as compared to affective trust (Schoorman et al., 2007).

Colquitt et al. (2007) also concluded that there were strong relationships between trust and the three facets of job performance as individuals willing to trust others were inclined to engage in better task performance, they performed more citizenship behaviours and committed fewer counterproductive behaviours compared to those less willing to trust others. This finding supports the view that trust is an essential component of both effective working relationships and organisational performance.

3.3.4.2 Propensity to trust

Gill et al. (2005) also tested the correlation between propensity to trust and intention to trust. They found that overall propensity to trust did not correlate with intention to trust under conditions of both high and low trustworthiness information. In addition, the correlation between intention to trust and propensity to trust was not significant when the co-workers' ability, benevolence and integrity were high while, when the co-worker's trustworthiness components were low, the correlation was likewise not statistically significant. However, Gill et al. (2005) provided a plausible explanation for the preceding results that revealed lack of statistical support for the correlations. In their view, the explanation lay in the fact that, in both high and low trustworthiness information conditions, the circumstances represented strong situations. Strong situations exist when the setting overwhelmingly indicates the trustworthiness of the trustee. Consequently, the role of propensity to trust may be limited by strong situations. This finding is in line with the assertion of Mayer et al'. (1995) that propensity to trust is vital and consequential in situations in which there is either ambiguous or inadequate trustworthiness information about the trustee.

Gill et al. (2005) replicated their study on propensity to trust and intention to trust. They found that propensity to trust and intention to trust were correlated when the trustworthiness information about co-workers was ambiguous. However, propensity to trust and intention to

trust were not significantly correlated in both high and low trust conditions. In addition, the relationship between trust propensity and risk taking and job performance were also partially mediated by trust (Colquitt et al., 2007).

Colquitt et al. (2007) concluded that (a) the significance of trustworthiness and propensity to trust transcends their trust fostering role and (b) that the three components of trustworthiness were not just significant predictors of trust but also of affective commitment. Regarding (a) above, this was informed by the observation that both the components of trustworthiness and propensity to trust demonstrated significant, unique relationships with behavioural outcomes even when trust was considered simultaneously. They cited as evidence the incremental effects of integrity on risk taking, benevolence on counterproductive behaviour, ability on both risk taking and citizenship behaviour and propensity to trust on both citizenship behaviour and counterproductive behaviour. Regarding (b) the results revealed that affective commitment significantly predicted both citizenship behaviour and counterproductive behaviour when controlling for trust. Thus, trustworthiness had a dual role in predicting behaviours through the mechanisms of trust and affective commitment (Colquitt et al., 2007).

Mishra's (1996) model is also relevant to the study and, thus, a succinct recapitulation is in order. Mishra defined trust as one party's willingness to be vulnerable to another party based on the belief that the latter party is 1) competent, 2) open, 3) concerned, and 4) reliable. As explained earlier in the chapter, this definition is anchored by the notions of vulnerability and expectation. Vulnerability or willingness to take risk is predicated on the four dimensions which were specified as competent, openness, concerned and reliable.

3.3.4.3 Trust dimensions

In terms of the model proposed by Mayer et al. (1995) benevolence is the trustor's belief that the trustee cares about him/her and will not harm his/her interests. On the other hand, Mishra's (1996) conception of concern implied that individual self-interests are balanced by interests in the welfare of employees or others and, thus, concern involves the balancing of one's self-interests with the interests of others.

The significance of goodwill trust has already been reported. Goodwill trust has been associated with lower transaction costs in exchange relationships (Şengün & Wasti, 2011). Goodwill trust is high if a party to an alliance believes that the other party is acting or negotiating and behaving fairly even if the possibility for opportunism exists. Goodwill trust

tends to exist if each party to the alliance believes that the other party is negotiating or behaving in goodwill and will not act opportunistically to exploit the vulnerabilities of the other even when the opportunity exists. Goodwill trust is often associated with lower transaction costs because the parties to the alliance spend less resources and time finding alternative exchange partners and monitoring such partners for opportunism. It is interesting to note that the study by Şengün and Wasti (2011) was conducted in the service sector. Unlike the manufacturing sectors, the service sectors do not have huge investments assets with the concomitant high transaction costs implications.

It has been stated that the need for organisations either to remain competitive or to achieve competitiveness heralded collaboration and co-operation, even among erstwhile competitors. Gonzalez (2001) referred to alliances as the right way in which to compete in the 21st century. In the case of alliances, organisations are able to create leverages by pooling their resources if they manage to create trust (Bachmann & Inkpen, 2011; Paliszkiewicz & Koochang, 2013). Trust at the inter-organisational level increases cooperation between firms and their business partners (Stanley & McDowell, 2013). Such co-operation becomes possible because the partners perceive that the other party will not perform actions that are detrimental to their interests. Şengün and Wasti (2011) reported that, the greater the buyer's goodwill trust in the seller, the higher the co-operation in the exchange relationship.

However, excessive or unwarranted trust in an untested partner may expose the focal organisation to possible losses that may include organisational secrets (Parkhe, 1998). It has been reported that an organisation's goodwill trust in its partner has an effect on the likelihood of knowledge leakage to partners. Both too high and too low goodwill trust have been reported to result in a higher risk for knowledge leakage while moderate levels of trust have been associated with a reduction in the likelihood of leakages. Accordingly, the effect of goodwill trust on knowledge leakage may be seen as U-shaped (Jiang et al., 2013). The weaknesses of too little trust have also been observed and the need for the calibration of the level of trust advocated (Parkhe, 1998). Some studies reported an increase in the control provisions in a formal contract being accompanied by a decrease in goodwill-based trust (Malhotra & Lumineau, 2011). However, Jiang et al. (2013) found that goodwill trust and formal contracts have a positive interactive effect on the likelihood of knowledge leakage. This may suggest that goodwill trust and formal contracts may be viewed as both necessary for protecting knowledge from leakage (Jiang et al., 2013).

Nicolaou et al. (2011) argued that integrated system information that stretches across organisational boundaries may be used for co-ordination and/or control. Similarly, contracts between alliances may be used for the purposes of co-ordination and/or control (Malhotra & Lumineau, 2011). For the purposes of co-ordination information may be used for planning business activities that are of mutual benefit to the parties while, as a control mechanism, information may be used for the purposes of verifying and evaluating the actions of the partnering organisation such as the frequency and time the supply was delivered (Nicolaou, 2011).

Nicolaou and his colleagues (2011) found that integrated system information had a significant positive effect on information co-ordination use while information co-ordination use had a significant positive effect on trust. As regards control, their study found that integrated system information had a significant positive effect on information control use while information control use had a significant negative effect on trust. Nicolaou et al. (2011) inferred that both co-ordination (positive mediation) and control (negative mediation) uses of information mediated the relation between integrated system information and trust.

It has been found that partners in an alliance tended to rely less on integrated system information for both co-ordination and control after repeated alliances with the same partner (Nicolaou et al., 2011). Prior alliance co-operation between two organisations is said to be vital for their subsequent partnerships because of the enhanced trust. As a result of high levels of trust, such alliances are less likely to be equity-based. As Gulati (1995) concluded, familiarity between organisations through prior alliances breeds trust. Familiarity is viewed as vital in alliances as it enhances a partner's transparency and decreases the costs of monitoring for opportunistic behaviour (Parkhe, 1998).

Repeated partnerships with the same organisation not only engender trust but have a major influence on the form of the contracts that the partners use in subsequent alliances. Viewed in this way, trust becomes a significant component of the control mechanisms that alliances use (Gulati, 1995). However, the study conducted by Malhotra and Lumineau (2011) revealed the intricacy of the contracts-trust relationship by expatiating on the effects of the contract structure on trust. They found that, when the attributes of transaction, dispute and relationship are controlled, the higher the number of control provisions in an inter-organisational contract and the lower the level of goodwill-based trust. In addition, the higher the number of co-ordination provisions in the contract between alliance partners the lower the goodwill trust. This may show that inter-organisational alliances that rely overly on

contracts as control mechanisms tend to leave little space for the development of trust, specifically goodwill trust.

It is clear that the notion of trust also intimates that blind trust may result in the trustor being prejudiced in some way. It may be inferred from the preceding findings that the focal organisation's goodwill trust in the partner should be minimised in order to curb knowledge leakage. As a result, for the purposes of collaboration, organisations endeavour to select partners that are highly competent (Jiang et al., 2013). While goodwill trust may not be conducive to curbing knowledge leakage, it has been found to be significant in the maintenance or continuance of alliance relationships. In fact, the higher the level of goodwill trust the higher the willingness of the partnering organisations to stay in the relationship even after a dispute (Malhotra & Lumineau, 2011).

As regards competence trust, the focal firm's competence trust in its partner has been found to be negatively associated with the likelihood of knowledge leakage to partners (Jiang et al., 2013). However, the curvilinear relationship between competence trust and knowledge appropriation or leakage has not been established. It is, however, clear that competence trust curtails knowledge leakage "because the focal firm's belief in the partner's competence triggers intense monitoring efforts in knowledge sharing" (Jiang et al., 2013, p. 988).

It has been found that competence trust and formal contracts have a negative interaction effect on the likelihood of knowledge leakage (Jiang et al., 2013). This research, together with other literature on formal contracts and trust, highlighted the significance of both these instruments as governance mechanisms in business alliances. However, the findings of Jiang et al. (2013), highlighted the complex nature of the interaction of formal contracts with trust. Aalbers (2010) found that contracts and trust complement each other. Contracts were regarded as significant in times of bankruptcy although trust was seen as the main catalyst for co-operative relationships in high technology R&D alliances. In the study by Aalbers (2010) the significance of trust was underlined by the respondents' view that trust was conditional to the signing of contracts. Aalbers (2010) maintained that both trust and contracts are essential to safeguard the interests of the alliance and to guard against opportunistic behaviour. Accordingly, the view that trust and contracts complement each other is antithetical to the proposition that trust may serve as a substitute for contracts (Aalbers, 2010). However, the arguments as to whether trust and formal contracts substitute or complement each other are said to be contingent upon the types of trust. Goodwill trust and formal contracts may substitute each other whilst competent trust and formal contracts may complement each other (Jiang, et al., 2013).

Research has also shown that the higher the level of control provisions in an inter-organisational contract, the higher the subsequent levels of competence-based trust between the parties (Malhotra & Lumineau, 2011). Similarly, it has been found that the higher the number of co-ordination provisions in an alliance contract, the higher the subsequent levels of competence-based trust between the parties. An inter-organisational contract that contains a significant number of co-ordination provisions may require the parties to specify their expectations and how these expectations will be met. As a result, communication between the parties should ensue and this will strengthen the competence-based trust. Contracts with tight provisions do not allow for much knowledge or resource appropriation but they do force the parties to focus on their responsibilities. In addition, the time spent drafting the control provisions may illuminate the expectations of the parties as regards the alliance (Malhotra & Lumineau, 2011).

In view of the alliance partners level of involvement and related matters, prior equity ties between alliances do not only preclude partners from behaving in an opportunistic way but is reported to be a significant conduit for the exchange of information and, ultimately, the establishment of knowledge-based trust between the partners (Gulati, 1995). This assertion regarding knowledge-based trust emanates from the closer interaction that is presumed to be a feature of equity alliances (Gulati, 1995).

It is asserted that the extensive use of formal controls in inter-organisational relationships does not provide the contracting parties with much discretionary power as they will tend to see each other's behaviour as mere compliance with the formal contract and not interpret it as trustworthiness (Inkpen & Currall, 2004). In this way, formalisation may be viewed as retarding the development of trust.

When the contract provisions are violated, the parties to the inter-organisational relationship may choose to terminate the contract. However, it has been shown that the higher the level of competence-based trust in an alliance relationship, the higher the willingness to continue the relationship after a dispute had arisen (Malhotra & Lumineau, 2011). However, the control provisions in a contract have the effect of lessening the parties' willingness to stay in the relationship. Malhotra and Lumineau (2011) found that, the higher the number of control provisions in a contract, the lower the partners' willingness to stay in a relationship after a dispute. Conversely, a higher number of co-ordination provisions in an alliance contract was accompanied by greater willingness on the part of the parties to continue the relationship after a dispute. Clearly, a higher number of control provisions in an alliance contract may have deleterious effects on the parties' willingness to stay in the relationship.

In the explanation of the organisational trust model proposed by Mayer et al. (1995) the role of context was underlined. It was stated that contextual issues may impact on the situation, for example, when the significance and influence of the three antecedents of trust vary with the context because their impact is domain-specific or when the dynamics of the situation within which the task is performed change. Connelly et al. (2012) stated that to argue that trust is context-specific has implications for formal contracts between organisations. They maintained that, when a focal organisation experiences consistent, reliable performance from a trustee organisation, the focal organisation perceives in-context trust. In-context trust suggests that a focal organisation has confidence that its partner will execute its obligations in that specific context. As Inkpen and Currall (2004) observed, trust decreases the reliance on costly contracts. According to Inkpen and Currall (2004), it is important in inter-organisational and collaborative relationships to have an agreement which clearly defines objectives as this will eliminate uncertainty and foster trust. In-context trust is contrasted with out-of-context trust which refers to the focal organisation's confidence that the trustee organisation will execute its obligations outside of the focal context. Connelly et al. (2012) observed that in-context trust was negatively associated with contract specificity while out-of-context trust was not associated with contract specificity. Accordingly, they construed in-context trust to significantly reduce the use of contracts while out-of-context trust did not have a significant effect on contract specificity. Tan & Lim (2009) highlighted the significance of cultural factors in the study of trust.

As regards the tendency to opportunistically acquire knowledge from the focal organisation, the results discussed above have revealed that competence trust and goodwill trust have divergent effects (Jiang et al., 2013). While the focal firm's competence trust in the partnering organisation was negatively associated with the likelihood of knowledge leakage to partners, the focal firm's goodwill trust above a threshold level increased the likelihood of knowledge leakage. Thus, trust in alliance partners as a governance mechanism for knowledge protection may be either beneficial or detrimental, depending on the different types and levels of trust (Jiang et al., 2013).

Silva et al's. (2012) model identified the antecedents of trust as shared values, communication and opportunistic behaviour. As revealed in the discussion on the various models of organisational trust, the antecedents of trust are a valuable component in the theoretical framework of trust. The antecedent of shared values, as cited by Silva et al. (2012), is analogous notion of integrity as cited by Mayer et al. (1995). Integrity was previously explained as the extent to which one party or the focal organisation perceives the other party or trustee to adhere to the principles that the trustor finds acceptable. According

to Mayer and Davis (1999, p.124), integrity “subsumes not only that a manager espouses values that the employee sees as positive, but that the manager acts in a way that is consistent with the espoused values.” Silva et al. (2012) observed that shared values were viewed as essential for creating a bond between the partners and, simultaneously, enhancing trust. Their study found that there was a positive relationship between the values shared by the partners and the trust the one partner invested in on the other. Young-Ybarra and Wieresma (1999) also found that shared values were a significant factor influencing trust.

Aadne et al. (1995) referred to openness as the willingness of the partners to share knowledge. Wathne, Roos, and Von Krogh (1995) distinguished between the transfer context and the actual attitude of the partners involved. Collaborative partners may facilitate the transfer of knowledge by, *inter alia*, the rotation of managers from the joint venture back to the parent organisation, regular meetings between the joint venture and parent managers, and joint venture plant visits and tours. However, partners may also restrict the transfer of knowledge by restricting the collaborative agreement to a narrow range of products or markets. According to Wathne, Roos, and Von Krogh (1995, p.61), “Openness can be understood in terms of the overall perceived openness of dialogue, the degree to which the partner representatives work closely together on a common task, and the degree to which the partner representatives perceive that the others withhold (shield) their knowledge”. Openness determines the partner’s potential for learning as well the appropriate atmosphere for learning. Access to laboratories, technologies and invisible assets may be hindered by a lack of openness.

Trust is vital in cooperative relationships. Without trust the transfer of knowledge becomes limited. Trust in cooperative relationships “has an indirect effect on the effectiveness of knowledge transfer through its influence on perceived openness of the partner representatives” (Wathne, Roos, & Von Krogh, 1995, pp. 64–65). Trust is closely linked with shared decision making. Saxton (1997) maintained that close interaction is essential for the partners to develop mutual forbearance. Mutual forbearance means that the parties to the alliance agreement will refrain from opportunistic behaviour or cheating either by way of failing to perform an act beneficial to the partnering organisation or by committing an act damaging to the other party (Boersma et al., 2003). Organisations that refrain from behaving opportunistically are said to forbear with mutual forbearance being seen as a distinguishing feature of successful alliances (Inkpen & Currall, 2004). The successful upholding of an agreement increases trust in alliances via the development of commitment and mutual forbearance while a lack of performance leads to a reduction in trust (Boersma, 2003).

The partners' close interaction and their shared decision making signify: (1) a commitment to and interest in outcomes which decrease the likelihood of opportunistic behaviour and (2) the likelihood that a partner's opportunistic behaviour will be recognised. The close interaction between and high participation of both partners have the effect of reducing information asymmetry. In this way, a high level of mutual involvement may serve as both a signalling and a monitoring mechanism by establishing and enhancing trust and commitment.

Reverting to Mishra's (1996) trust model, the openness dimension of trust in business alliances relates to the flow of information between the alliance partners. This may include critical information, including information on issues such as access to markets or R&D. Openness reveals the extent to which the partners in an alliance are willing to share information and, by that very fact, trust each other (Mishra, 1996; Nielsen, 2011; Zhang, 2011). Such openness is a manifestation of both trust as well as the confidence that the vulnerabilities of each party to the alliance will not be exploited (Brahma & Chakraborty, 2009).

Openness tends to affect the partners' communication with each other. In fact, communication, in its various manifestations, may be a signal of information flow between the partners. Tensions may develop in alliances and they may drive the partnership to self-destruction even with the benefit of contracts (Malhotra & Lumineau, 2011). Silva et al. (2012) reported a positive relationship between communication between partners and the trust one partner placed in the other. Young-Ybarra and Wieresma (1999) observed communication to be a significant factor influencing trust. In addition, the exchange of information is a manifestation of reliance and may encourage the trustee to reciprocate (Silva et al., 2012).

Silva et al.'s (2012) notion of opportunistic behaviour is, in many respects, the converse of the concepts of integrity and benevolence. Opportunistic behaviour is viewed as relating to the trustee's self-interest and the tendency to focus on own rather than joint interests, while benevolence is defined as the extent to which the trustee wants to do good for the trustor (Mayer et al., 1995). The focal organisation's perceptions of opportunistic behaviour on the part of the trustee may result in lower levels of trust. The debilitating effect of opportunistic behaviour on trust has also been reported by Silva et al. (2012) with a negative relationship between the opportunistic behaviour which one partner perceived in the other and the trust placed in the other being noted. Thus, opportunistic behaviour has a negative effect on trust.

Research on the success of business partnerships has chronicled and conveyed the significance of trust for alliance performance. Inter-organisational trust has been positively associated with the sound performance of both family and non-family firms (Stanley & McDowell, 2013). Silva et al. (2012) also found that trust impacted positively on performance. Their study reported a positive relationship between the degree of trust the focal organisation placed in the partner and the performance of the partnership. The finding of a positive association between inter-organisational trust and firm performance may partly be explained by the argument that organisations that endeavour to achieve common goals tend to work more effectively and make significant cost reductions as no complex and costly formal monitoring is necessary (Nielsen, 2011). Silva et al. (2012) also supported the contention that trust has a strong positive effect on performance. Trust has also been shown to be positively related to alliance performance (Krishnan et al., 2006).

Paliszkiewicz and Koohang (2013) provided support for the hypothesis that there is a significant positive relationship between organisational performance and organisational trust. However, the relationship between organisational trust and organisational performance is not linear. Two elements of organisational performance, namely, innovation and success, were reported to contribute significantly to organisational trust. As regards organisational trust contributing to performance, it was found that establishing clear work responsibilities made a significant contribution to organisational performance. The main implication of this finding is the fact that organisational trust hinges on the establishment of work responsibilities which are then clearly communicated to the job occupants (Paliszkiewicz & Koohang, 2013). Trust was also found to have favourable effects on alliance performance in a cross-cultural setting (Fadol & Sandhu, 2013). For example, innovation and success, which are regarded as elements of organisational performance, have been reported to contribute significantly to organisational trust (Paliszkiewicz & Koohang, 2013).

Research has revealed that organisations that report lower levels of inter-organisational trust tend to report significantly lower levels of performance as compared to their counterparts (Stanley & McDowell, 2013). Research on the trust-performance link has also focused on the effects of performance on trust (Mohr & Puck, 2013). Mohr and Puck (2013) theorised on and argued in favour of the bi-directional relationship between trust and performance. However, although their empirical results provided evidence for the positive effects of performance on trust, contrary to expectations, the findings did not yield support for the effects of performance on trust. The argument advanced is that operating an alliance involves great deal of uncertainty. High levels of alliance performance should lower the associated uncertainty which, in turn, then induces the focal organisation either to trust

directly or through the reduction of the transaction costs required for setting up and monitoring the alliance agreement (Mohr & Puck, 2013).

Silva et al. (2012) observed that theoretical explorations into the link between trust and performance proliferated although empirical studies were rare. In addition, the empirical studies which had been conducted reported mixed evidence regarding the trust-performance link. In the view of Silva et al. (2012), such inconsistencies revealed that the trust-performance linkage was not only complex and poorly understood but also that trust may not function in the same way to improve outcomes under all circumstances. A number of studies have supported the finding that high trust relations lead to high performance (Sousa-Lima et al., 2013; Stanley & McDowell, 2013) while other studies have reported a lack of evidence that trust results in the high performance of an alliance (Mohr & Puck, 2013).

A reflection similar to that of Silva et al. (2012) was made by Mohr and Puck (2013) on the excess of research asserting the positive effects of trust or the uni-directional link between trust and performance. The preponderance of theoretical research asserting that trust directly influences performance as well as the studies that included mediating variables as well as the empirical studies that supported both relations were censured by Mohr and Puck (2013) for ignoring the intricacy of the interplay between trust and performance. They contend that the relationship between trust and performance is more complex than has been suggested.

Krishnan et al. (2006) also recognised the complexity of the issues involved in theorising about the organisational or inter-organisational trust-performance link. They argued that the beneficial impact of trust on alliance performance is contingent on other factors. As elucidated earlier in this chapter, such factors include environmental and behavioural uncertainty and have the capacity either to impede or facilitate the alliance trust-performance link. Social uncertainty has been reported to be higher in alliances that involve high interdependence and in which there is inter-partner competition with the partners possibly furthering their individual interests at the expense of the collaborative alliance (Krishnan et al., 2006).

Interdependence is a key feature of many R&D alliances where the mission is to develop technology or innovate. The planning and coordination of the partners' activities as well as the standardisation of interactions are difficult as the change initiated by one partner may affect the other partners in unanticipated ways and with adverse effects (Das & Teng, 2000; Krishnan et al., 2006). Interdependence is, therefore, a crucial factor in unravelling and

illuminating inter-organisational trust and alliance performance. The positive relation between trust and partnership performance has been found to be stronger in alliances with a high degree of interdependence than in alliances with low interdependence (Krishnan et al., 2006).

When organisations form alliances they may do so with companies that are either their potential or their actual competitors. It has been stated elsewhere in this chapter that organisations may form alliances with their erstwhile competitors who might have been responsible for upsetting the competitive balance. They may, thus, in the process of forming such alliances actually breed their future competitors (Chen & Wang, 2015; Hamel & Prahalad, 1989; Krishnan et al., 2006; Parkhe, 1998; Stanley & McDowell, 2013). According to Park and Ungson (2001), organisations may sometimes try to maximise their individual interests and subordinate the collaborative interests of the alliance. However, trust is crucial for offsetting opportunistic behaviours as it facilitates mutual understanding and cooperation between the partners (Inkpen & Currall, 2004; Malhotra & Lumineau, 2011). It has been reported that the positive relation between inter-organisational trust and alliance performance is stronger in alliances in which the potential for inter-partner competition is higher than in those in which the potential for inter-partner competition is low (Krishnan et al., 2006). These findings highlight the role of behavioural uncertainty or, more specifically, inter-dependence between the parties, and inter-partner competition in the inter-organisational trust-alliance performance link (Krishnan & Martin, 2006).

In short, the strength of the integrative model proposed by Mayer et al. (1995) resides in how general and broad the model is. As already shown, the model has been utilised in research into the construct at different foci. However, in their reflection on the model, its proponents recognised one of its prime weaknesses as relating to the conception of trust as solely a cognitive matter (Schoorman et al., 2007). Also noted by these researchers was the significance of the issues of context and culture. Such issues are pivotal as people differ in their cultural orientations and contextual issues are likely to exacerbate situational differences. This study represents a response to the call by the researchers to use the model in different contexts and cultures (Schoorman et al., 2007).

3.3.5 Trust and social uncertainty in alliances

Alliances are often faced with two primary challenges, namely, the problem of the business that brought them together and the way in which the members relate with each other when they work together to resolve this problem (Post, 1977; Van Lange, Joireman, Parks, & Van

Dyk, 2013). Other researchers have viewed the challenges facing alliances as encompassing coping with the complex business environment, the central task or purpose of the business and the relationships between parties to the alliance (Aalbers, 2010; Snizek, May & Sawyer, 1990; Zand, 1972). McCarter et al. (2011) addressed environmental uncertainty and social uncertainty as two factors that may have fundamental and adverse effect on both the problem of the business that brought the alliance members together (alliance success) and how the members relate and work together (trust).

Environmental uncertainty refers to a lack of information about the market environment and may result in the partners fearing that their pooled resources will not yield the anticipated profits (McCarter et al., 2011; Van Lange et al., 2013). Environmental information concerns factors which are viewed as exogenous to the alliance but which have the capacity either to stimulate or to thwart the anticipated benefits of the collective (Krishnan et al., 2006). The uncertainty of the business environment within which alliances operate encompasses a plethora of factors that include increased government regulation, the increasingly socio-political nature of business decisions, competition and the search for competitiveness in a slow economic growth climate (Li, 2013; Post, 1977; Slater, 1995; Xie et al., 2012; Yang et al., 2011). Uncertainty may persuade the partners to act in a manner that safeguards individual interests at the expense of the collective (Krishnan et al., 2006; McCarter et al., 2011).

Sustaining both performance and competitiveness in an uncertain business milieu has been shown to be an arduous task for organisations (De Geus, 1988; Pucik, 1988). Alliances in more dynamic environments tend to experience dialectical tensions to a greater extent (De Rond & Bouchikhi, 2004). The challenge created by this uncertainty may result in the alliance partners not being able to address the processing of information effectively and decisions may be made heuristically (Krishnan et al., 2006). However, Kramer (1999) noted that the heuristic quality of decisions may reduce transaction costs because it saves on monitoring costs.

On the other hand, social uncertainty may stem from a lack of information about the partnering organisation and impede co-operation between the partners as they may feel that they cannot trust each other to work for the interests of the alliance (McCarter et al., 2011). Alliances with low trust are exemplified by individuals either withholding or distorting information about the business (Dowell et al., 2013; Zand, 1972).

McCarter et al. (2011) extended the original concept of real options by proposing a collective real options approach as a way in which to circumvent the risks associated with operating alliances and as a mode of enhancing trust. The efficacy of real options has been demonstrated in entrepreneurship (McGrath, 1999). The real options approach has been used by alliance partners to individually manage environmental uncertainty (Bérard & Perez, 2014). The underlying logic of the real options framework stipulates that future investment opportunities are contingent upon prior investment commitments (McCarter et al., 2011). By coining collective real options, McCarter et al. (2011) endeavoured to rise above the narrow individual partner focus to the collective partners' focus and management of the risks associated with operating an alliance and/or environmental uncertainty in order to ensure the collective management of social uncertainty. They referred to collective real options as the actions that the alliance partners undertake by agreeing to make the small initial investment of resources in the venture with the intention of identifying environmental and social information on the possible success of future, larger alliance initiatives. The small initial investment may be viewed as a pilot project of the alliance with the larger alliance initiatives as subsequent investments which are collectively undertaken. Therefore, the pilot project may enable the uncovering of crucial information on both the business milieu and the trustworthiness of the parties before larger resources are committed to the alliance.

As already enunciated, when more than one person works on a problem here are two main concerns, namely, (1) the problem or project itself, including the complexity and coordination of the task to be undertaken and (2) the question of how the members who are working on the problem will relate to each other (Lee, Peng & Song, 2013; McCarter et al., 2011; Zand, 1972). McCarter et al. (2011) have argued that the collective real options approach mitigates both the complexity of the task, as in the complexity and coordination of the task, on the one hand, and the social uncertainty, as in the partners' trustworthiness on the other.

The notion of collective real options, as suggested by McCarter et al. (2011), is both fascinating and enticing because it makes sense for an alliance to manage both the viability of the strategic intent (environmental uncertainty and business prospects) and the working relationship between the parties, including the partner trustworthiness as exemplified by honesty and commitment to the alliance. Indeed, it would be unwise to focus on the viability of the commercial project to the exclusion of the human aspect of the alliance (partner trustworthiness). However, the notion of collective real options is undertaken jointly by the alliance partners (McCarter et al., 2011).

Stemming from the notion of collective real options is the opportunity to invest in smaller projects (relational small wins) which would have a dual desirable impact on the complexity of the project and the trustworthiness of the partners. Such an investment should concurrently reveal the viability of the joint project as well as the trustworthiness of the partners. In the view of McCarter et al. (2011), this may lower the barriers for alliance partners to invest in the initial smaller ventures and pave the way for subsequent investments. Implicit in the argument in favour of the reduction of social uncertainty is the concomitant increase in trust. The focal organisation's perceived vulnerability, which is defined as its assessment of uncertainty about the future behaviour of others and/or the environment, may be reduced following such positive experiences with the alliance. In other words, the probability of the failure of the cooperative venture may be lessened by positive alliance outcomes (Bérard & Perez, 2014; McCarter et al., 2011).

Organisations that have been in alliances for longer are assumed to have a better reputation and also experience a higher level of trust from their alliance partner and lower transaction costs related to uncertainty compared to those of a shorter duration (Aalbers, 2010). The perceived vulnerability of the focal organisation hinges on its level of exposure. Exposure is explained as the extent to which a focal organisation will be damaged if the alliance does not succeed. Thus, investing more resources in the alliance implies a higher level of exposure (McCarter et al., 2011).

Inter-organisational trust is a multi-dimensional construct that may evolve with the relationship (Nielsen, 2011). Trust co-evolves with the alliance with the partners developing an understanding of each other and adjusting their expectations and processes as the alliance evolves (Inkpen & Currall, 2004). The partners' interaction enables them to learn more about each other's motives, capabilities, cooperation, competition, conflict and attitudes toward control (Parkhe, 1998). Trust may deepen as the relationship matures but, as previously stated, the rooting is neither automatic nor is it easily understood (Malhotra & Lumineau, 2011; Parkhe, 1998). As the alliance goes through different developmental phases, the trust in the business alliance is likely to change, thus illustrating the temporal character of trust. Thus, the trust in alliances tends to serve different purposes, depending on the alliance development phase (Boersma et al., 2003).

3.3.6 The negative aspects of trust

The literature review revealed that trust may have negative consequences or negative aspects (Ekici, 2013; Bergh et al., 2011). Negative behaviours on the part of a trusted

exchange partner are viewed as the type of behaviour that may eventually cause harm to the business and/or interests of the trustor, including betrayal and disappointment (Ekici, 2013).

The negative aspects of trust may be linked to blind trust. Stanley and McDowell (2013) believed that blind trust is often associated with dysfunctional and unproductive partnerships. The negative aspects of trust often work against the interests of the trustor (Ekici, 2013; Bergh et al., 2011). The tendency to trust more by sharing confidential information as the relationship matures may render partners such as suppliers more vulnerable to betrayal than may otherwise have been the case. Ekici (2013) revealed that the suppliers viewed the conduct of their partners or buyers as a betrayal both of trust and of a good relationship.

The negative aspect of trust may result in disappointment with disappointment occurring as a result of high expectations on the part of the parties to the alliance. A trusted partner may be expected to make a special effort or do favours or could be taken for granted. Nevertheless, the betrayal and disappointment in high trust do not always lead to the termination of the exchange relationship (Ekici, 2013). Similarly Malhotra and Lumineau (2011) observed that the respective higher levels of goodwill trust and competence trust in alliance relationships were accompanied by a higher willingness to stay in the relationship even after the partnership had experienced a dispute.

Similarly, low levels of trust did not necessarily lead to a termination of the relationship as some parties have revealed that they had long standing partners whom they did not trust (Ekici, 2013). However, as was apparent in the discussion of the trust models, the decision either to terminate or continue with the relationship may be informed by an innumerable number of factors. The models identified competency or ability as one of the antecedents of trust or elements of trustworthiness (Mayer et al., 1995; McKnight, 2002). However, an incompetent business partner may result in low trust and the termination of the relationship (Ekici, 2013).

Some trustors may maintain their relationships with other parties for a lengthy period of time because the partnering organisation is a strong and reputable company. In such a case, size and reputation may not be viewed as a source of credibility but rather as a source of power, for example, in the case in which the buyer had experienced pressure from her customers to stock a brand from a company she did not trust. The decision to terminate a relationship may hinge on the availability of alternatives. In some cases the main reason for the partnership or relationship may be economic and/or financial considerations with the bottom line determining whether the relationship is either terminated or maintained (Ekici, 2013).

At this point of the discussion it may, in agreement with a host of researchers, be surmised both that alliances are created to fulfil specific objectives and that trust remains a critical cog in the functioning of such alliances (Aalbers, 2010; Ertug et al., 2013; Fadol & Sandhu, 2013; Fiala & Prokop, 2013). However, at some point of its co-existence, the strategic fit of a once smooth-functioning partnership may diminish as the strategic choices and internal capabilities of the partners may pull them in opposite directions (Parkhe, 1998). However, when this happens in a relationship that is characterised by trust the problem may be resolved constructively. Nevertheless, an alliance relationship may seem to have become outmoded because it is not making either strategic or business sense. However, if the alliance is characterised by trust the focal partner or organisation may endeavour to sever the relationship in a constructive manner that takes into account the legitimate expectations of the other party. In accordance with the notion that trustworthiness is linked to reputation and credibility, among others, the focal organisation may enhance its own trustworthiness profile by accommodating the legitimate expectations of its partner – the partnering organisation and the broader audience of potential partners may then come to know about such constructive behaviour (Parkhe, 1998). The trustworthiness of the focal organisation grows as a result of third parties knowing about its reputation and credibility. The high reputation of alliance partners is reported to enhance the inter-organisational trust which is, in turn, connected to higher alliance performance than may otherwise have been the case (Fiala & Prokop, 2013). These observations resonate with the caution issued by Aalbers (2010) that to betray trust relation is detrimental to the guilty party's long-term interests as other organisations will be disinclined to forge linkages or co-operate with the said company.

3.4 THE PROPOSED THEORETICAL ORGANISATIONAL TRUST MODEL

This section discusses the essential elements of the proposed theoretical trust model. It may, thus, be stated that the section is the quintessence of the theoretical component of the study. In view of the fact that a model is a simplified representation of a more intricate phenomenon, a graphical or visual representation is used to facilitate the understanding of the model. This representation indicates the significant components of the model but lacks detail in terms of the more specific sub-elements and their functioning. It is the aim of the accompanying discussion to remedy this deficiency in detail. In view of the fact that the proposed theoretical integrated organisational trust model derives from existing literature on trust and the discussions that preceded this section have already illuminated the central constructs comprising the model, succinct descriptions of the model will be provided. This is followed by propositions that hypothesise about the components elements of the model.

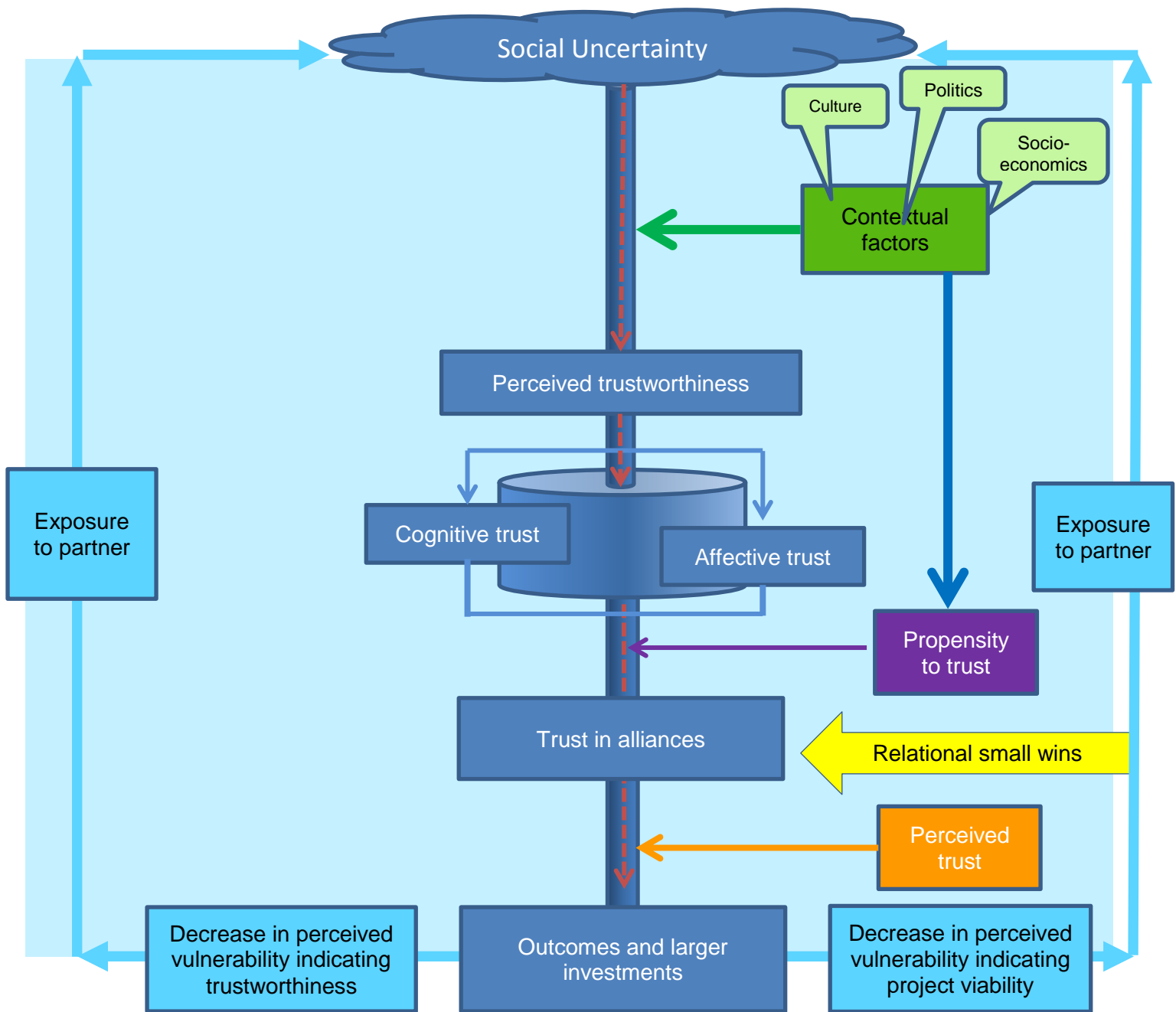


Figure 3.2: The theoretical model

The various components of the model are discussed below. It is important to note that the sequence of the components should not produce an image of a cause-and-effect, linear model.

3.4.1 Social uncertainty

The concept of social uncertainty has been explained elsewhere in this chapter. Although it is theorised that this last statement is of general application, it may be truer of alliances between TCs and HDIs in South Africa. In South Africa, the lack of information about partner organisations may be exacerbated by the absence of interaction between HDIs and TCs over the years as a result of the separate development policies of the past.

The arguments presented in favour of reducing social uncertainty are that this may enhance the focal organisation's trust in the partnering organisation (McCarter et al., 2011; Plötner et al., 2013). The focal organisation's perceived vulnerability, which is defined as its assessment of uncertainty about the future behaviour of others, may be reduced if the focal organisation experiences positive encounters with its partner. In other words, social uncertainty may be curtailed if the focal organisation undergoes positive experiences about its partner. Implicit in the last statement is the notion of the temporal nature of trust which suggests that, with time and interaction, the trustor may discover more regarding the trustworthiness of the partner organisation. Of course, whether the initial interaction either enhances or lessens trust depends on the trustor's experiences with the trustee.

Both the concurrent and future behaviour of the partners cannot be known with certainty, thus the rewards for the members are uncertain. There is an incentive to contribute to a group, such as an alliance, but also a risk in contributing to that group (Bérard & Perez, 2014; McCarter et al., 2011). Committing to the alliance effort is risky but potentially rewarding. Alliance members may face significant ambiguity, especially at the beginning of the alliance, because they may be uncertain about the commitment of the other members. As a result, they are likely to allocate less to the group than what they think others should contribute (Plötner et al., 2013; Zand, 1972). It is expected that such allocation may be even lower in settings which do not lend themselves to the reduction of social uncertainty (Snieszek et al., 1990).

In the context of a business alliance social information refers to information about the factors that are endogenous to the alliance and which have the capacity to influence the achievement of alliance goals (Krishnan et al., 2006; McCarter et al., 2011).

The significance of trust in the formation of alliances under turbulent and highly dynamic and unpredictable conditions has been repeatedly emphasised (Aalbers, 2010), particularly in diverse cultural settings (Fadol & Sandhu, 2013; Fan et al., 2012). Gefen, Rose, Warkentin, & Pavlou (2005) noted that, when cultural diversity is more pronounced in a society, trust becomes of less significance because of its limited capacity to reduce social uncertainty. Other researchers have perceived trust between the members of the group as significant for the reduction of social uncertainty (Snizek et al., 1990). When interacting in a relationship which is characterised by low trust the partners are likely to do so in a manner that minimises their vulnerability and, as Zand (1972) found, the deleterious consequences of a lack of trust are inescapable. Thus, not knowing how others may behave in a relationship has adverse effects on trust although feedback about how others are behaving or doing often helps to reduce uncertainty (Snizek et al., 1990).

Proposition 1: When HDIs and TCs form business alliances, such alliances will initially be characterised by the focal organisation's high social uncertainty which will negatively affect its perceptions of the partner organisation's trustworthiness and impede it from working towards alliance goals.

Proposition 2: In alliances between HDIs and TCs, the trustor or focal organisation's social uncertainty will decrease as the trustor or focal organisation undergoes positive experiences with the partner organisation and perceives the trustee to be trustworthy. This will minimise the focal organisation's perceptions of its vulnerability and may increase its willingness to take risk.

3.4.2 Contextual factors and organisational trust

Research on organisational trust has recognised that contextual variables play a pivotal role in the formation of trust (Ertug et al., 2013; Eser, 2012; Fadol & Sandhu, 2013; Fan et al., 2012; Hofstede et al., 2010; Schoorman et al., 2007). Within the field of organisational trust, a plethora of factors are included in the category of contextual factors because they all have the potential to influence the propensity to trust and perceptions of trustworthiness of individuals and organisations.

In the South African setting such contextual factors may include cultural differences between TCs and HDIs, the broader socio-economic context such as the history of social relations between blacks and whites, government economic policies aimed at empowering the previously disadvantaged segments of society and the asymmetrical distribution of resources, including skills and economic resources, between various segments of society. Contextual issues may also refer to the context of the study such as a study of trust in franchise relationships, mining, virtual teams and virtual organisations or trust in the healthcare sector (Eser, 2012; Mansor & Mirahsani, 2012; Mukherjee, Renn, Kedia, & Mukherjee, 2012).

3.4.2.1 Cultural factors vis-à-vis propensity to trust and trustworthiness

It has been argued that one of the ways in which culture affects trust is through the propensity to trust (Schoorman et al., 2007). Together with personality and other variables, culture is identified in the existing literature on organisational trust as an antecedent of the propensity to trust and also as a factor that influences perceptions of trustworthiness (Mayer et al., 1995; Starnes et al., 2005). The trustor or focal organisation's willingness to be vulnerable to the actions of another party may fundamentally be shaped by the cultural factors embedded in the local milieu (Fadol & Sandhu, 2013).

Culture in its various manifestations, such as national, local and organisational culture, may, therefore, have a major influence on propensity to trust because it affects people's inclination to trust (Fadol & Sandhu, 2013). It is a fact that people live in societies and operate within cultures and, therefore, share values and norms (Asante, 1992). One of the implications of culture is that people from the same cultural background may perceive and attach similar meanings to social phenomena but that those from different cultural backgrounds may perceive or interpret the same phenomena differently (Fan et al., 2012). Cross-cultural studies have provided broad generalisations with regard to the cultural orientations of various societies (Ertug et al., 2013; Hofstede et al., 2010). When organisations in a partnership originate from different countries or cultural backgrounds the cultural distance between them will probably account for the existence of fewer similarities between than if they were from the same country or cultural background. These differences are likely to reduce trust between these organisations (Ertug et al., 2013).

Organisations in a partnership have to integrate and collaborate on a variety of activities that make them feel that they are working with a similar organisation. Such perceived similarities may foster a sense of trust which may then serve as a catalyst for an exchange climate that favours satisfaction. Similarities between partners have been found to enhance the positive relationship between trust and performance (Silva et al., 2012). Correspondingly, the positive affect of trust on performance were found to lower in cases where similarities between the partners were less prominent. Silva et al. (2012) concluded that congruity between organisations as regards culture and human resources policies and procedures facilitate the matching of the organisations and their ability to work together to achieve partnership goals. In addition, similarities in strategic factors such as markets are considered significant for the success of an alliance. However, this does not imply that organisations must pick partners that think in the same way as the organisation in question (Saxton, 1997). Nevertheless, as Clarke-Hill, Robinson and Bailey (1998) observed, the compatibility or congruency of objectives is crucial for the successful performance of partnerships.

Ertug et al. (2013) posited that national culture and norms determine the inhabitants' propensity to trust. In cross-border alliances this would translate into the focal organisation's trust being influenced by the national culture. The focal organisation will, therefore, trust to the extent that the propensity to trust of the home country allows. The general propensity to trust shown by organisations from the focal organisation's home country has been shown to have a positive effect on the focal organisation's trust in the partnering organisation (Ertug et al. 2013). In addition, the national culture setting within which an alliance is located is often

influential in helping understand conflicts and tensions within the alliance (Das & Kumar, 2011).

Propensity to trust is a factor which is inherent in a person and which has significant influence on the general willingness to trust. As already stated, it is a trait that is stable across situations while it also accounts for why people differ in their inclination to trust others. Propensity to trust implies that the trustor has certain trust tendencies even prior to information about the trustee becoming available (Mayer et al. (1995). Propensity to trust also accounts for why some individuals are more trusting than others (Ashleigh & Higgs, 2012). It has been argued that the high propensity to trust of task-oriented cultures is demonstrated in their higher initial trust for strangers. On the other hand, relationship-oriented cultures take time to develop a relationship prior to working on the task in hand (Schoorman et al., 2007).

The trust across cultures is compounded by the process of social categorisation which often leads to stereotypes about other cultures. The trust predicated on social categorisation is a depersonalised and presumptive trust as it is not based on any substantive, real or actual information about a partner (Kramer, 1999). It is, in fact, anchored on information regarding a trustee's membership of a social category. When such information is salient, it tends to influence others about the trustee's trustworthiness (Kramer, 1999). However, once there is information about or interaction with the trustee or partnering organisation, this experience forms the basis of trust (Ertug et al. 2013). In other words, as a trustor become more acquainted with specific people or trustees, his/her personal knowledge of those people or trustees significantly influence on his/her thoughts and behaviour (Bigley & Pearce, 1998). The interaction enables the partners to learn more about each other's motives, capabilities, cooperation and competition, conflict and attitudes toward control (Parkhe, 1998). The effect of categorisation on trust is, thus, lessened by positive or negative experiences with the partner.

Social categorisation is not limited to propensity to trust but extends to perceptions of trustworthiness with organisations from certain countries being perceived as more trustworthy than others (Ertug et al., 2013). As with other forms of presumptive trust such as role-based trust, social categorisation does not use specific information or knowledge about the capabilities, motives or intentions of a trustee or a partnering organisation to make trust judgements but, instead, there is a reliance on the nationality or culture of the partnering organisation (Kramer, 1999).

Studies involving different nations and cultures have found prior experience and age or duration of the joint venture to be moderators of the relationship between social categorisation and the partner's trustworthiness as perceived by the focal partner. The effect of social categorisation lessened when the partners from different cultures had been involved in similar alliances prior to the current alliance. In addition, the effects of social categorisation weakened when the partners from different cultures had been collaborating for a relatively longer period of time in the focal alliance (Ertug et al., 2013).

As regards perceived trustworthiness, research has revealed that the general level of trust in organisations from the partnering organisation's home country (based on social categorisation) has a positive effect on the trust that the focal partner places in the partner (Ertug et al., 2013). In other words, the general perceived trustworthiness of organisations from the partnering organisation's country or national culture was positively related to the trustworthiness of the partner as perceived by the focal partner.

Some countries have more diverse cultures than others and the social integration of the various cultural groups is sometimes more advanced in some than in others. In heterogeneous societies such as South Africa where cultural differences are accentuated trust becomes difficult to establish and also impacts on social uncertainty (Gefen et al., 2005).

Proposition 3: Contextual factors such as culture, socio-economic factors, politics and government policies embedded in the setting will affect trust indirectly by influencing the relationship between social uncertainty and perceptions of trustworthiness.

Proposition 4: Cultural differences between blacks and whites will account for the differences in propensity to trust between the two groups such that high propensity to trust will have a positive effect on the focal organisation's trust in the partnering organisation.

Proposition 5: In alliances between HDIs and TCs, the salient cultural differences will influence the focal organisation's perceptions that the trustee organisation is trustworthy prior to information about the trustee becoming available.

3.4.2.2 Political and socio-economic factors vis-à-vis propensity to trust and trustworthiness

The discussion presented in chapter 2 on South Africa's economic empowerment trajectory provides a good example of contextual issues that may affect or obscure trust in business alliances between TCs and HDIs. Untenable social divisions similar to those in pre-1994 apartheid South Africa are often deeply entrenched in societies and have the effect of rendering those who have been marginalised vulnerable to exploitation and underdevelopment (Singh, 2012). Rao and Rao (2013) argued that, as a result of these social divisions, the marginalised may lack the ability and practical skills essential to define their business goals and to make decisions that will facilitate the achievement of such goals. Accordingly, the purported beneficiaries of economic empowerment schemes are people who have, over the years, been excluded from the economic mainstream and became marginalised and, therefore, lack more than merely access to finance or capital (Rao & Rao, 2013).

The black economic empowerment policy espoused by the government is intended to reverse the economic domination which was enjoyed by one section of South African society so that the previously marginalised may also participate meaningfully in a more inclusive economy (Patel & Graham, 2012). However, the government policies have also been met with some worst cases that tend to emasculate black economic empowerment, including TCs using HDIs as fronts and window-dressing, mobile black executives, rent-a-black, "ghost" or "freelance" black directors and managers in a bid to procure or acquire contracts from government and other state-owned enterprises (Beall et al., 2008; Iheduru, 2004; Van Scheers, 2010). Van Scheers (2010) reported that TCs sometimes offer HDIs generous contracts in return for serving as their black empowerment partners but that, once the bid has been won, they buy their black partners out of the deal.

Some of the unscrupulous practices referred to above may be an indication of the asymmetrical nature of the relationship between TCs and HDIs in South Africa. The majority of the TCs tend to possess more resources, such as capital and business skills, compared to the HDIs and, thus, the TCs are viewed as more powerful than the HDIs. Schoorman et al. (2007) reported that the power distribution in a relationship tends to affect risk-taking, as the focal party with more power may perceive less risk and be willing to engage in more risk-taking actions than the other partner. The subservient HDIs, particularly those that are used for window dressing, may exist only at the whim of their TC partners.

It is hypothesised that the issues referred to above have the capacity to impact on the trust in alliances between HDIs and TCs and they should, therefore, form part of the proposed theoretical integrated organisational trust model. For example, issues of fronting and window-dressing may generally raise suspicions and be viewed with a degree of distrust by the HDIs that are approached by TCs to form joint business alliances. Similarly, scant skills and capital on the part of the HDIs may be generalised as a lack of ability and lower the TC's perceptions of the trustworthiness of HDIs and, specifically, their ability to accomplish the tasks to be performed by the alliance.

In addition to social uncertainty, contextual factors, propensity to trust and the elements of trustworthiness were deemed to be vital components of the proposed theoretical integrated model. Based on the definition of the trust construct provided earlier is the notion that trustworthiness reflects both the cognitive-based and affective-based sources of trust. As previously stated, affective trust is premised on close emotional bonds and interpersonal relationships and is temporal in nature. Thus, interpersonal care and concern for one's partner are vital components of affective trust (Fan et al., 2012; McAllister, 1995). Thus, both the cognitive and affective dimensions of trust are crucial constituents of the proposed theoretical integrated trust model. The two concepts of propensity to trust and trustworthiness have been explained at length in the earlier discussion as they are vital constituents of the construct of trust. The proposed model borrows from the existing literature on the role of both propensity to trust and the elements of trustworthiness (Mayer et al., 1995; Schoorman et al., 2007).

Proposition 6: The focal TCs or HDIs that experience their partners as trustworthy will perceive trust to be a foundation of their business alliances.

Proposition 7: Focal HDIs will form business alliances with TC counterparts perceived to be more resourced and more experienced with the primary purpose of accessing the TC partner's business knowledge so that they can be empowered in terms of business skills and knowledge.

Proposition 8: In alliances between HDIs and TCs, prior information about the HDI partner becoming available as well as the generalised belief about the inadequacy of the business skills and capital of the HDIs, will result in HDI partners being perceived as low in ability trust.

Proposition 9: The focal HDI or TC organisations that are high in propensity to trust will demonstrate stronger trust in the HDI or TC partners than may otherwise have been the case.

Proposition 10: Based on issues such as fronting and window-dressing and prior information about the TC partner becoming available, TCs that approach unsuspecting and least experienced HDIs to form business alliances will be viewed with distrust and as lower in trustworthiness.

3.4.3 Relational small wins, risk-taking and outcomes

Weick (1984) cited the major contributor to social maladies as humanity's mode of conceiving social problems. Social problems are often comprehended in a manner that overwhelms people to the extent that they are not able to do anything about them. In Weick's (1984), some of the modes of conceiving social problems inadvertently preclude innovative solutions because the limits of bounded rationality are exceeded while arousal is raised to high levels which are, in fact, dysfunctional. Weick (1984, p. 40) stated that "When the magnitude of problems is scaled upwards in the interest of mobilising action, the quality of thought and action declines, because processes such as frustration, arousal, and helplessness are activated". Social problems may be visualised as smaller, manageable and less arousing problems by identifying modest size opportunities that yield concrete results or solutions. This reconstruction of problems into modest sizes and the concrete solutions are referred to as small wins. Once accomplished, forces are set in motion to achieve other small wins. As Weick (1984) articulated, implementing a solution makes the next solvable problem more visible. Habits change and resources are then mobilised for slightly larger wins.

Weick (1984) regards the small wins are vital as their sequences are more structurally sound because they constitute stable building blocks. The notion of small wins is made more attractive by the three things that happen when a larger problem is broken down into manageable units: (a) the significance of any small win is diminished because the costs of failure are lessened and the rewards of success are considerable; (b) the size of the demand itself is greatly shrunk and (c) current skills are seen as adequate to deal with the modest demands of the task (Weick, 1984).

The notion of collective relational small wins adopted may be used to reduce social uncertainty (McCarter et al., 2011) and foster trust. In addition, it also highlights whether the

initial expectations have been met. Key in the proposed theoretical model of organisational trust is the notion of affective trust or the trustor's moods which are associated with initial trust or personal chemistry (Andersen & Kumar, 2006; McAllister, 1995). In line with Schoorman et al. (2007), Stokes et al. (2010) observed that the initial trust is founded on affective processes while subsequent trust is influenced by cognitive processes. However, the perceptions of trustworthiness are subject to the trustor's propensity to trust.

Depending on whether they are positive or negative the outcomes of small wins may be either constructive and fruitful or deleterious to trust while these outcomes may determine what happens to the alliance next (McCarter et al., 2011; Bérard & Perez, 2014; Van Lange et al., 2013).

It has been argued that collective real options mitigate both the complexity of the task as in easing task coordination and the uncertainty as in impacting positively on the trustee partner's trustworthiness (McCarter et al., 2011). It has already been explained that, the higher the stake the trustor has in the outcomes, the higher the risk in placing trust in the trustee. Thus, the opportunity to invest in smaller projects (relational small wins) has a dual and desirable impact on both complexity and trustworthiness: In other words, it may concurrently reveal the viability of the joint project and the trustworthiness of the partners. According to McCarter et al. (2011), this may lower the barriers to alliance partners investing in the initial, smaller ventures and encourage subsequent investments. Implicit in the argument regarding the reduction of social uncertainty is the increase of trust. The focal organisation's perceived vulnerability, which is defined as its assessment of uncertainty about the future behaviour of others and/or the environment, may be reduced following such positive experiences with the alliance. In other words, the probability of failure of the cooperative venture may be diminished by positive alliance outcomes (Das & Kumar, 2011; McCarter et al., 2011; Mishra, 1996; Van Lange et al., 2013).

The decades of the policy of separate development (which manifested in minimal contacts between whites and blacks except as employer-employee or supervisor-subordinate) and the marginal economic role of blacks may exacerbate the social uncertainty in both HDIs and TCs. It is hypothesised that trust in the alliances between HDIs and TCs may need to be buttressed by the notion of relational small wins whereby the partners commit to undertaking smaller projects in order to establish both viability and the trustworthiness in the alliance. Uncertainty should be reduced with successful experiences (Snizek et al., 1990). The notion of relational small wins may be a desired mode of doing business as regards alliances between TCs and HDIs in view of contextual factors such as unscrupulous behaviour of

some TCs towards their HDI partners in the past (Van Scheers, 2010). Depending on whether they are perceived as positively or negatively by the HDIs, contextual factors such as the unscrupulous conduct of some TCs have the capacity to curtail trust in or lower perceptions of the TCs' trustworthiness. Based on the preceding statement, the HDIs may realise the attractiveness of relational small wins. Other relevant issues may include the historically marginal economic role of blacks which, in practical terms, has resulted in their inadequate business skills and limited access to, or lack of, ownership of capital. This, together with the plausible concern about the risk that alliances with HDIs may present to them, may persuade TCs to see relational small wins as more appealing than larger ventures. In line with Mayer et al. (1995) the proposed theoretical organisational trust model postulates that, generally, the trustor compares the level of trust with the perceived risk in a given situation or context. Either the level of trust may exceed the threshold of the perceived risk or the level of perceived risk may exceed the level of trust. The level of trust in the trustee and perceptions of the risk inherent in the action are crucial in determining whether the trustor will be prepared to take certain risks. The small wins are designed to enhance trust between alliance partners. It is theorised that positive outcomes will lead to larger investments in the alliance. The consequences of the desired outcomes are a decrease in the perceived vulnerability of the trustor and may demonstrate that the trustor has developed higher trust in the trustee (Das & Kumar, 2011; Mishra, 1996; Van Lange et al., 2013). The outcomes in the form of a decrease in vulnerability indicating project viability and partner trustworthiness are then dispatched through the feedback loop to social uncertainty.

Proposition 11: Relational small wins will influence the relationship between social uncertainty and perceptions of trustworthiness.

Proposition 12: In alliances between HDIs and TCs, as a result of the practice of window-dressing on the part of some TCs, the focal HDIs will use relational small wins in anticipation of unscrupulous or untrustworthy behaviour by the latter.

Proposition 13: In alliances between HDIs and TCs, the latter will prefer relational small wins in anticipation of a lack performance owing to a perceived lack of ability or competence on the side of the former.

Proposition 14: The outcomes of the relational small wins will influence the focal TC or HDI organisation's perceptions of risk and whether willingness to take risk translates into risk-taking such that positive relational outcomes will result in risk-taking act(s) on the part of the trustor.

Proposition 15: Positive outcomes from the risk-taking behaviour will decrease the focal or trustor organisation's feelings and perceptions of vulnerability and result in a willingness to make larger investments in the alliance.

Proposition 16: Negative outcomes from the risk-taking behaviour will result in perceptions of increased vulnerability on the part of the focal or trustor organisation which will strain the relationship and may result in the alliance being discontinued.

Proposition 17: The trustor organisation's high perceptions of risk will lessen the chance that the risk-taking act will occur.

Proposition 18: In alliances between TCs and HDIs, the focal organisation will use formal contracts and relational small wins if it perceives risk with the partner organisation to be high.

3.4.4 A summary of the key attributes and assumptions of the proposed theoretical integrated model

The proposed theoretical integrated model presented above borrowed from the existing literature on trust. As a result, the model does not include propositions on any issues or aspects which are generally regarded as given, for example, the issue of the elements of trust and propensity to trust and whether they contribute to trust is not questioned because of the volume of research that supports such a stance.

The proposed theoretical integrated organisational trust model is premised on the assertion that HDIs and TCs alliances are characterised by a social uncertainty which is exacerbated by years of the separate development policies that prohibited interaction between blacks and whites. The focal partner (be it an HDI or TC) does not know how the partner organisation will behave in the relationship. Social uncertainty implies that the focal organisation lacks information about its partner organisation. Such inadequate information about the partner organisation often results in lower perceptions of the partner's trustworthiness.

Linked to this lack of interaction are contextual factors which are rooted in cultural, political and historical socio-economic conditions. The interplay between such factors is extremely complex. For example, the past policies of apartheid are assumed to be intricately linked with the inadequate business skills and lack of capital among the HDIs as well the government's policy of black economic empowerment. According to the proposed model, these and other contextual factors indirectly influence the relationship between social

uncertainty and perceptions of trustworthiness. A lack of information about a HDI partner may result in lower perceptions of trustworthiness and these may be exacerbated by perceptions that HDIs are unworthy of involvement in business because they lack the requisite skills and are interested only in financial gain. The government's policy of black economic empowerment is perceived differently by those who support it and those who are opposed to it.

The contextual factors such as culture or historical social relations between social groups are also influential in determining the trustor's propensity to trust. Propensity to trust refers to the individual difference that influences the likelihood that the trustor will trust.

Propensity to trust has both a direct and an indirect impact on trust. The indirect influence intercedes in the relationship between the elements of trustworthiness and trust, namely, low propensity to trust may make it difficult for the trustor to perceive and develop the integrity trust which is essential for a willingness on the part of the trustor to render him/herself vulnerable. In other words, propensity to trust influences the trustor's perceptions of the trustee's ability, integrity and benevolence, on the one hand, and affective trust on the other. However, propensity to trust is malleable and may change as a result of exposure and experience.

Implicit in the model is the pivotal role of social and business interaction in the formation of trust. Trust between the parties may develop partly as a result of the trustor's positive evaluations of the trustee's trustworthiness. Affectively, trust may also develop as a result of the trustor's intuitions about the trustee's trustworthiness. The reputation of and experience with the trustee are the primary conduits through which cognitive trust develops while the affective elements are channelled through intuition, personal chemistry, interpersonal relationships and/or social bonds over time.

In the South African context, ability trust may be affected by perceptions that, due to their historical marginal economic role, HDIs lack both capacity and resources. Accordingly, TCs may be concerned about the possibilities of the appropriation of knowledge and other opportunistic behaviours on the part of the trustee HDIs. The future possibilities of facing a current business partner as a competitor are real and may, therefore, discourage TCs from allowing any knowledge transfer to HDIs.

The element of social uncertainty embedded in alliances may be influenced by relational small wins. The positive outcomes of these relational small wins are vital for further enhancing trust.

Inevitably, the trustor compares the consequential level of trust with the perceived risk in a given situation or context while the decision regarding larger investment often hinges on whether the level of trust exceeds the perceived risk. One of the consequences of the perception that the level of trust exceeds the perceived risk is often a decrease in the perceived vulnerability that indicates trustworthiness. The outcomes in the form of a decrease in vulnerability indicate project viability and partner trustworthiness are then dispatched through the feedback loop to social uncertainty. This output in the form of information dispatched through the feedback loop will ameliorate the situation by reducing the trustor's social uncertainty.

Table 3.4 presents a summary of the key elements of the theoretical model and the corresponding propositions posited. Some of the propositions may involve more than one element as is the case with proposition 1. Under such circumstances, the elements are grouped together as depicted in table 3.4.

Table 3.4: *Elements of the theoretical trust model*

Element	Propositions
<p>Social uncertainty:</p> <p>This refers to a lack of information about the partnering organisation and may impede co-operation between the partners as the focal organisation feels that it is not able to trust the trustee to work for the interests of the alliance</p>	<p>Proposition 1: When HDIs and TCs form business alliances, such alliances will initially be characterised by the focal organisation's high social uncertainty which will negatively affect its perceptions of the partner organisation's trustworthiness and impede it from working towards alliance goals.</p> <p>Proposition 2: In alliances between HDIs and TCs, the trustor or focal organisation's social uncertainty will decrease as the trustor or focal organisations develops positive experiences with the partner organisation and perceives the trustee to be trustworthy. This will minimise the focal organisation's perceptions of its vulnerability and may increase its willingness to take risk.</p>
<p>Contextual factors:</p> <p>They are embedded in the setting and may affect trust indirectly by influencing the relationship between social uncertainty and perceptions of trustworthiness. These factors also affect propensity to trust. Culture, socio-economic factors, politics and government policies are prime examples of such factors in the South African setting</p>	<p>Proposition 3: Contextual factors such as culture, socio-economic factors, politics and government policies embedded in the setting will affect trust indirectly by influencing the relationship between social uncertainty and perceptions of trustworthiness.</p> <p>Proposition 4: Cultural differences between blacks and whites may account for the differences in propensity to trust between the two groups such that high propensity to trust will have a positive effect on the focal organisation's trust in the partnering organisation.</p> <p>Proposition 5: In alliances between HDIs and TCs, the salient cultural differences will influence the focal organisation's perceptions that the trustee organisation is trustworthy prior to information about the trustee becoming available.</p>

Element	Propositions
<p>Trustworthiness</p> <p>Trustworthiness refers to the elements or antecedents of trust which are perceived competence or ability, benevolence, concern or caring, integrity, openness and reliability</p>	<p>Proposition 6: The focal TCs or HDIs that experience their partners as trustworthy will perceive trust to be a foundation of their business alliances.</p>
<p>Competence/Ability:</p> <p>This is the trustor organisation's belief that the trustee organisation will perform its duties and responsibilities because either it is competent or because it possesses the requisite expertise</p>	<p>Proposition 7: Focal HDIs will form business alliances with the more resourced and experienced TC counterparts with the primary purpose of accessing the TC partner's business knowledge so that they can be empowered in terms of business skills and knowledge.</p>
<p>Propensity to trust:</p> <p>Refers to the dispositional component of trust that is relatively stable and influences the likelihood that the trustor will trust others regardless of the situation. It develops through past social experiences as the predisposition to trust others evolves. It also explains why people differ in their inclination to trust others</p>	<p>Proposition 8: In alliances between HDIs and TCs, prior information about the HDI partner becoming available as well as the generalised belief about the inadequacy of the business skills and capital amongst the HDIs will result in HDI partners being perceived as lower in ability trust.</p> <p>Proposition 9: The focal HDI or TC organisations that are high in propensity to trust will demonstrate stronger trust in the HDI or TC partners than may otherwise have been the case.</p>

Element	Propositions
<p>Economic Empowerment:</p> <p>Economic empowerment is the extent to which the previously disadvantaged people find meaning in their pursued economic activity which challenges their capabilities to perform relevant tasks skilfully with a substantial degree of autonomy in such a manner that they feel that they can influence the economic outcomes of their activity</p>	<p>Proposition 10: Based on issues such as fronting and window-dressing and prior information about the TC partner becoming available, TCs that approach unsuspecting and least experienced HDIs to form business alliances will be viewed with distrust and as lower in trustworthiness.</p>
<p>Relational small wins:</p> <p>Refers to a situation in which the focal organisation commits to accomplishing smaller projects in order to ensure both the viability and the trustworthiness of the trustee organisation. The achievement of small wins lessens social uncertainty as it increases both the viability of the investment and the trustworthiness of the partner organisation</p>	<p>Proposition 11: Relational small wins will influence the relationship between social uncertainty and perceptions of trustworthiness.</p> <p>Proposition 12: In alliances between HDIs and TCs, as a result of the practice of window-dressing on the part of TCs, the focal HDIs will use relational small wins in anticipation of unscrupulous or untrustworthy behaviour by the latter.</p> <p>Proposition 13: In alliances between HDIs and TCs, the latter will prefer relational small wins in anticipation of a lack of performance owing to a perceived lack of ability or competence on the side of the former.</p>

Element	Propositions
	<p>Proposition 14: The outcomes of the relational small wins will influence the focal TC or HDI organisation's perceptions of risk and whether willingness to take risk translates into the decision to the association between trust and risk-taking such that positive relational outcomes will result in to risk-taking act(s) on the part of the latter.</p> <p>Proposition 15: Positive outcomes from the risk-taking behaviour will decrease the focal or trustor organisation's feelings and perceptions of vulnerability and result in a willingness to make larger investments in the alliance.</p> <p>Proposition 16: Negative outcomes from the risk-taking behaviour will result in perceptions of increased vulnerability on the part of the focal or trustor organisation which will strain the relationship and may result in the alliance being discontinued.</p> <p>Proposition 17: The trustor organisation's high perceptions of risk will lessen the chances that the risk-taking act will occur.</p> <p>Proposition 18: In alliances between TCs and HDIs, the focal organisation will use formal contracts and relational small wins if it perceives risk with the partner organisation to be high.</p>

In concluding the discussion in this section, it is pointed out that section 3.4.4 contained a summary of the key attributes of and the assumptions underlying the proposed theoretical organisational trust model. The proposed model borrows its core elements from the existing literature on organisational trust although some aspects of the model are borrowed from the notion of collective real options. As already explained, collective real options refer to an action that is aimed at uncovering the environmental and social information that is essential for managing environmental and social uncertainty (McCarter et al., 2011).

In the context of this study, the borrowed construct of collective real options may, for lack of a better word, be termed individual or personal real options as this study assumes that the decision or behaviour aimed at uncovering environmental and social information resides with the trustor. The preference for and aptness of the notion of personal or individual real options are explained later. The view that real options reside with the trustor and are disconnected with the trustee coheres with the fundamental assumption made in the study regarding the conceptualisation of the construct of trust. In the context of the study organisational trust is conceptualised as the trustor or the focal organisation's willingness to be vulnerable to the actions of the trustee organisation based on the beliefs, expectations and feelings rooted in the context of the trustor, including culture, politics and socio-economic issues, that the partner organisation will perform a particular action important to the trustor, irrespective of the ability of the trustor to monitor or control the partnered organisation. Therefore, in the context of this study, the construct of trust excludes the notion of mutuality. The construct distinguishes between the trustor and the trustee. It is only the trustor who is able to render him/herself vulnerable to the actions of the trustee. The notion of individual real options may serve as a more appropriate substitute for collective real options because it is in harmony with the concept of trust as relevant to this study.

However, it may also be said that the concept of collective real options remains suitable on the basis of the conceptualisation of trust by McCarter et al. (2011) which excludes mutuality. It may also remain appropriate if their notion of collective real options does not assume certainty regarding prospects for business success and the partner's trustworthiness. In other words, the focal organisation will entertain beliefs, expectations and feelings about the trustworthiness of the partner organisation.

One of the theoretical aims of the study is to conceptualise the construct and elements of trust and how they relate to business alliances in the South African economic empowerment context. In order to address this theoretical aim, the study sought out to develop a

theoretical model of trust in an economic empowerment domain. The development of a theoretical model includes conceptualising the construct and elements of trust and how they relate to business alliances in the South African economic empowerment context. In its quest to resolve answer this question and address this theoretical aim of the study, a theoretical model of trust was developed and presented. The model borrows from existing literature on organisational trust. The study may be seen as a response to the call by Schoorman et al. (2007) to researchers to theorise and empirically examine organisational trust in various contexts and cultures.

It was deemed to be of primary importance to address this theoretical question of the study as the resolution of some of the empirical aims of the study hinged on this. For example, one of the empirical aims of the study was to evaluate the empirically manifested elements of trust in the light of the theoretical elements. The other empirical aim of the study was to integrate the theoretical and empirically manifested elements of trust into a model for understanding the concept of trust in business alliances between TCs and HDIs.

The theoretical aims of the study were resolved by developing a model that comprised specific identifiable elements. No previous study has theorised about organisational trust in alliances between TCs and HDIs.

3.5 IMPLICATIONS FOR INDUSTRIAL AND ORGANISATIONAL PSYCHOLOGY

It is incumbent on psychologists to be optimistic about the resolution of social maladies (Kugler & Bornstein, 2013; Weick, 1984). The way in which such social problems are phrased is fundamental to seeing these problems in a different light and perceiving them as surmountable. Clearly I-O Psychology has a major role in understanding how people and organisations of varying modes are often overwhelmed by the manner in which they view social problems. Schreuder and Coetzee (2010) also observed that I-O Psychology and its research areas have developed to the point where they have become geared towards addressing the changing needs of societies and organisations in order to generate knowledge that ensures competitiveness in both globally and nationally changing contexts. Johnson and Cassell (2001) asserted that, in changing times, investigating the world of work entails a radical break with the past. Schreuder and Coetzee (2010) maintained that, in both their practice and their research, it is imperative that I-O psychologists recognise the significance of the national vision of an inclusive society that endeavours to further the participation of those groups that were previously disadvantaged.

It is in the light of the above that this section examines the implications of this theoretical study. Industrial & Organisational Psychology may be broadly explained as the study of the human aspect of an organisation. As a subfield of Industrial and Organisational Psychology, organisational behaviour is viewed as the study of complex social systems which referred to as organisations and the behaviour of people in such organisational settings (Katz & Kahn, 1978; Simons & Buitendijk, 2013). From its inception, Industrial and Organisational Psychology endeavoured to create more competitive business organisations than had previously been the case. The primary focus of Industrial and Organisational Psychology has always been predominantly on the human aspect of the organisation and those behaviours that are central to the creation of more competitive organisations. The literature review identified the significant role of trust in organisations and business alliances as regards performance and competitiveness (Aalbers, 2010; Krishnan et al., 2006; McCarter, 2011).

A detailed literature review of relevant theory was undertaken in order to lay the foundation for a conceptual integrated model, based on existing literature, and on organisational trust and simultaneously encapsulating and embodying the unique South African setting as well as comparable settings. Although several South African research studies on organisational trust were noted in the existing literature, not one of these studies has addressed the phenomenon of business alliances between HDIs and TCs. For example, Martins and Von der Ohe's (2002) studied the employer-employee relationship as it pertained to the trust relationship between top management, the immediate manager and lower level employees while Bews and Rossouw (2002) investigated change and organisational trust. Gefen et al. (2005) involved a South African sample with a focus outside of the realm of organisational trust in alliances and reported that, in instances of large cultural diversity, trust becomes less importance because it can no longer reduce social uncertainty. The proposed integrated model provides a conceptual foundation for a perspective on organisational trust in alliances between HDIs and TCs. Vast challenges in respect of trust face these alliances. The proposed integrated model does not derive from one but from several conceptualisations and models of organisational trust and strives to function as a cohesive, broad but parsimonious model that is in harmony with the black economic empowerment setting in South Africa. It is hoped that this chapter in general and the proposed integrated model, in particular, will stimulate debates characterised by trepidation, refutations, corroborations and validations among I-O psychologists. Such debates are vital to viable and improved practices in the field of organisational trust in general and inter-organisational trust in black economic empowerment settings in particular.

An understanding organisational trust is important for managers in today's business organisations where constructive relationships between people are central to performance. Such relationships as characterised by trust are even more important in inter-organisational relations. It is anticipated that I-O psychologists may use this chapter and the proposed model in order to develop insights into the field of inter-organisational trust. As individuals concerned with the profession and practice of the human aspect of the organisation, I-O psychologists may then use these insights to conceive of specific management tasks that will enhance trust in alliances between HDIs and TCs. Using the construct of affective trust as an example, I-O psychologists purportedly have a solid grounding in and understanding of emotions. It is, however, essential that managers learn that one's affective state may influence relationships with others and also influence the decisions of others and, ultimately, the chances of enhancing trust and improving social interaction (Andrade & Ho, 2008). Negative emotions decrease trust if such negative emotions create uncertainty about the prevailing situation. I-O psychologists are ideally situated to help to managers understand that there are different ways in which to foster affective trust and that such affective trust requires time in which to evolve. Thus, short-term positive outcomes may be sacrificed for longer term benefits.

The notion of propensity to trust as anchored in cultural factors is likely to provide a more realistic assessment of the partner's inclination to trust than may otherwise have been the case. I-O psychologists may assist in developing management's understanding that elements of trustworthiness are significant but that the inclination of the various cultural groups to trust others has a balancing effect on perceptions of trustworthiness.

Culture has been identified as one of the pivotal contextual factors significant in the study of trust in alliances between HDIs and TCs. The model hypothesised that culture is influential in shaping propensity to trust and perceptions of trustworthiness. This makes it imperative for I-O psychologists to emphasise the significance of diversity management to alliance partners, managers and others involved in such alliances. In fact ignoring the contextual factors may be detrimental to the building of trust in an alliance while an understanding of contextual factors may help partners and managers to learn about and be aware of cultural differences and to appreciate such differences.

Organisational trust has moved from the periphery to the centre of organisational theory and research both within and across organisational boundaries (Kramer, 1999). Within this space of organisational trust the implications for the practice of Industrial and Organisational Psychology necessitate an expanded role for psychologists. It is significant that Industrial

and Organisational Psychology sees its role not as limited to the conventional organisation or mode of organising (Maier & Meyer, 2011). The emergence and subsequent proliferation of alliances towards the end of the last century has provided scope for an expanded role and increased practice of Industrial and Organisational Psychology. As a discipline and a practice that focus on the human aspect of the organisation, Industrial and Organisational Psychology is ideally positioned to refine and deepen the understanding of the complex phenomenon of trust at different foci. Given the detailed and rich descriptions of the context within which this study is grounded and wherein the theoretical model is rooted, the proposed model may potentially inform trust-related alliance practices in an empowerment context. Thus, while it remains theoretical, the potency of the proposed integrated model lies in its potential relevance and application to both the South African and to comparable settings.

The literature review revealed that much has been written about trust in business alliances. However, both the conceptual and the empirical research into alliances in empowerment domains are grossly inadequate. This chapter contributes to this deficiency by proposing a model that will enhance the understanding of alliances in this domain. However, beyond the role of developing an insightful understanding into the phenomena of trust, it is believed that this theoretical chapter will also make a small contribution that has the potential to influence future theory and research into organisational trust. By explicitly and emphatically studying organisational trust in alliances in an empowerment domain, the study is contributing to establishing a role for Industrial and Organisational Psychology in this field. In addition, the proposed integrated theoretical model may provide preliminary insights that contribute to the existing body of knowledge on trust in alliances in an empowerment domain. While it may be argued from a functionalist or positivist perspective that it is not possible for the model to be generalised and applied to South African and other settings because it has not been validated, it is hoped that the model will, nevertheless, provide a point of departure and a signpost for future research into trust in alliances in an empowerment domain.

The utility of the model at the proposition stage may be enhanced by the involvement of industrial psychologists in examining it to ensure that future research focuses on the constituent elements of the model in order either to validate or invalidate the model, at least, investigate the relevance of the constituent elements. The industrial psychologist is best positioned to use the recommendations of the study as a benchmark for practitioners in the field of alliances in the empowerment context. Such initiatives may facilitate the understanding of inter-organisational trust in empowerment domains similar to that in South Africa. Industrial and Organisational Psychology has paid cursory attention to the role of trust

in inter-organisational co-operation. However, trust as a crucial component that drives the long-term sustainability of alliances merits the attention of Industrial and Organisational Psychology so as to facilitate the increased competitiveness that today's business organisations seek.

Despite the overarching influence of globalisation on business organisations, local issues tend to assume greater significance when one studies organisational trust. According to Ertug et al. (2013), in spite of globalisation, nations continue to dominate the prevailing image of the world. Nevertheless, managers should be aware of both the global and the local issues pertinent to their roles in alliances.

This theoretical chapter has practical implications for organisations in partnerships or alliances. The effective functioning of an alliance cannot rely solely on control measures such as contracts. The vital role of trust is highlighted as an aspect that the members of alliances must work in order to develop. Trust does not develop automatically in alliances. There are specific criteria that alliance partners use to evaluate whether the partner is worth trusting. It is, thus, vital that managers become aware that trust has to be cultivated.

3.6 CRITICAL EVALUATION AND SYNTHESIS

The view that the construct of organisational trust is a significant area of enquiry for disciplines such as psychology, sociology, management and economics has already been recognised (Colquit et al., 2007; Kramer, 1999; Mayer & Davis, 1999; Paliszkiewicz & Koohang, 2013). The multidisciplinary perspective has expanded and strengthened the existing literature on trust (McKnight & Chervany, 2002). Judging by the number of disciplines and the breadth of the research, it is commonly assumed that significant scientific research on trust is taking place and making progress. However, the broad based multidisciplinary perspective has also contributed significantly to the multiple definitions and conceptualisations of trust and the resultant confusion (Colquitt et al., 2007; Kramer, 1999).

McKnight and Chervany (2002) argued that advances in a scientific field are reflected by researchers being able to clearly specify the state of progress of the research. However, the diversity in the definitions and conceptualisations of trust render the assessment of such scientific progress implausible. For example, Mayer et al. (1995) observed that some researchers tended to obfuscate the construct of trust with both its antecedents and its consequences. Gill et al. (2005) criticised the conceptualisation of trust as a multi-component variable with three distinct, but interrelated, dimensions which include propensity to trust, perceived trustworthiness and cooperative and monitoring behaviours. In their

contention, propensity to trust should be considered more appropriately as an antecedent rather than as a dimension of trust. In the milieu with diverging definitions and conceptualisations of the construct and the attendant constructs or sub-constructs, the meaning of organisational trust remains blurred. The accumulated body of research may not be a sign of advances in the field because the evidence gathered over the years may not be comparable. As McKnight and Chervany (2002) stated that the diversity of both the theoretical conceptualisations and empirical substantiation of trust in the various studies could not be summed. At the heart of the problem is the lack of clear conceptual definitions that results in a nomological network fraught with gaps and overlaps (McKnight & Chervany, 2002). Effective conceptualisation of trust should precede both construct validation and the substantive research into the construct. Congruence and coherence in terms of definitions and conceptualisation would greatly contribute to ensuring that the theoretical formulations and empirical research on trust are commensurable and, therefore, they build on each other.

Kramer (1999) noted the absence of an integrative theory of organisational trust in the mist of the impressive proliferation of theories in the field. The rapid rate at which empirical evidence is expanding is not being accompanied by a concomitant increase in studies that use the overarching concepts and multiple-level measures that are essential for bridging the diverse conceptions from the economic, sociological and social psychology perspectives (Kramer, 1999).

One of the major shortcomings of the model propounded by Mayer et al. (1995) is its exclusive focus on the cognitive aspects of trust. This emanates from the fact that the model focus on the way in which the parties to the relationship process information about others (Schoorman et al., 2007). However, the existing literature correctly identified affects as antecedents of organisational trust despite the fact that affective trust tends to work in a different way compared to cognitive trust (Fan et al., 2012; Webber, 2008). However, the proposed model takes into consideration the role of affects in organisational trust.

The notion that trust evolves over time as the relationship develops underlines the significance of longer duration studies or, at least, data on alliances that have been in existence for a reasonable time period. Short-term teams studies conducted in laboratories have also been criticised on the grounds that they do not take into account the temporal nature of trust (Webber, 2008). Such studies do not afford researchers an opportunity to observe of the long-term evolution of trust because they are relatively ephemeral. For example, some researchers have argued that the typical lack of multi-dimensionality in trust studies may be attributed to the short-term teams studies conducted in laboratories

(Webber, 2008). According to Schoorman et al. (2007), the close link between benevolence and integrity found in laboratory studies is the result of the fact that the temporal dynamics of benevolence had not yet emerged. Mayer et al. (1995) acknowledged and amplified the significance of the time dimension in trust.

While many research studies have explained the positive impact of organisational trust on organisational or alliance performance, relatively few studies have focused on the probable impact of organisational performance on organisational trust. The unidirectional view of the impact of organisational trust on performance has been criticised and is said to discount the sophisticated interplay between the two and blind many from conjecturing about the impact of alliance performance on organisational trust (Mohr & Puck, 2013; Silva et al., 2012).

In the main, the bulk of research on organisational trust is dominated by research and literature that purportedly originates from the Western workplace. Models and frameworks developed in the Anglo-Saxon world of work are embraced and applied outside of this sphere without either questioning or adapting them to the local conditions. There is an implicit assumption that the research conducted into work samples from the Western world represents the rest of the world of work population. As Heinrich, Heine, and Norenzayan (2010) aptly noted, the assumption is that there are minor differences across the human population or that these “standard subjects” are a replica of the rest of the world. However, this is not to surreptitiously introduce such a discussion on the controversial and purported universality of the Anglo-Saxon world as the standard with which to judge the rest of the world into this study rather to assert the inimitability of people across countries and cultures. The assertion of such inimitability is not to dispute the credence of the Anglo-Saxon renditions but rather to embrace the argument that contextual and cultural milieus and historical events frame organisational reality. As Mashegoane and Moalusi (2002) observed, concepts, models and theories of organisational phenomenon such as trust may primarily be renditions of organisation and behaviour within the dominant Anglo-Saxon world of work. However, Heinrich et al. (2010) recommended that researchers should strive to be less cavalier in addressing questions about human nature on the basis of data drawn from less representative samples. Nevertheless, it should also be noted that research into organisational trust is also emerging from outside the Anglo-Saxon world of work (Huang, Li, Zhang, Cai, & Wang, 2011; Heffernan, 2004; Fadol & Sandhu, 2013). However, the extent, if any, to which concepts, theories and models are indigenised or embedded in the contextual and cultural milieu that frame organisational reality may be questionable.

3.7 LIMITATIONS

Research on organisational trust has made significant progress from the initial individual dispositional view of trust to a more elaborate view that extends the construct to inter-organisational conceptualisations. However, the large body of research on organisational trust is not without limitations.

The authoritative and potent nature of the models proposed by Mayer et al. (1995) and Mishra (1996) (the two models reviewed at length in this chapter) may be inferred from the amount of critical debates they have triggered, the number of empirical research studies that have borrowed from the models and the research that has sought either to refute or to corroborate the models. The majority of the literature on organisational trust reviewed supports the temporal nature of the construct (Aalbers, 2010; Mayer et al., 1995; Schoorman et al., 2007; Webber, 2008). It has been argued that the foundation of alliance relationships is formal contracts between the partners. However, the role of trust is reported to increase with the evolution of the relationship over time while the alliance may come to rely less on explicit formal agreements with time (Cropanzano & Mitchell, 2005). Embedded in the assumption of the temporal nature of trust is the fact that the partners in long-term alliances have known their partners over a longer period of time as compared to those in short-term alliances and, thus, that such alliances are likely to be characterised by trust. One of the limitations of the research on trust is that some of the research studies were laboratory studies of a short duration. The use of such research designs has two ramifications, namely (1) the fact that they are experimental and not based on real world or natural settings and (2) the fact that they are of a short duration. These two ramifications may militate against the assumptions embedded in trust theory (1) as when people act because the experiment is not embedded in the real life world and (2) as short duration studies have the effect of precluding the evolution of trust, particularly affective trust which is a feature of the interpersonal relationships and the social bonds between the partners (Webber, 2008).

The criticism of the use of experimental studies is often linked with the representativeness of the sample used. Such criticism in many areas of social science, including social uncertainty and trust studies, centres around experiments that are often conducted on samples of university students. As Heinrich et al. (2010) aptly noted, the erroneous assumption is that there are minor differences across the human population or that these “standard subjects” are a replica of the rest of the world. The research samples used in experimental studies and some surveys may, therefore, be regarded as a limitation because, given its characteristics, the preferred samples of university students are the least likely to be a replica of any

population (Heinrich et al. 2010). However, the criticisms raised and the issue of either refuting or corroborating the models using such samples become a futile exercise because of potential validity and generalisation issues. As a result, the emerging theories are viewed as artefacts of individualistic and masculine Anglo-American culture and as serving as surrogates for meaning (Sievers, 1986).

Closely linked to the issue of short duration studies is the scarcity of longitudinal studies that would provide empirical evidence to strengthen the argument regarding the impact of time on trust. However, this criticism does not reflect on the organisational trust models per se but rather on the design of empirical research studies in general.

In the process of seeking generalisability across many settings models may ignore specific variables pertinent to a particular context. Although the pertinent variables that render the context unique may sometimes be difficult to detect, they nevertheless, have major implications for any study, including this one. For example, some relationships are embedded in hierarchical power differences or may be asymmetrical and this may have implications for the path that trust may follow (Schoorman, 2007). In recognition of this point, the proposed integrated organisational trust model designed in this study anticipates a host of variables that are likely to have implications for the development of trust. Although the model should be ideal for the South African empowerment domain it should also be possible to use it in other settings. This assertion is based on the fact that the model is anchored in existing literature on organisational trust.

The models which were reviewed in this study are not limited to specific industries or markets. This is not, however, to suggest that such models are not efficacious but it is rather to argue that, in designing research using the proposed models, researchers should explicitly share information about the research setting of the alliance such as the relevant sector and markets. Information on both industry or sector and the dynamic nature of the markets has been shown to be significant as it illuminates the research findings (Aalbers, 2010; Connell & Mannion, 2006). It sometimes becomes difficult to fully understand the research findings if one is unaware of the nuances of meaning that the sector and the dynamic nature of the markets may imply and, thus, specifying such vital information would probably facilitate the reading or interpretations of research into trust. The proposed organisational trust model was cognisant of these issues and circumvented this limitation by placing a premium on the vitality of such situational and contextual information.

There has been much support for the notion of “just enough” trust as both low and high trust have come under criticism (Bierly III & Gallagher, 2007). The divulging of organisational

secrets and opportunistic behaviour on the part of the trustee have been shown to derive partly from either too much or unwarranted trust. On the other hand, the hazards of low trust in alliances have also been demonstrated and the need for the calibration of the level of trust advocated (Parkhe, 1998). When companies work together to achieve common objectives, low trust often becomes detrimental to alliance innovation (Bidault & Castello 2010). However, what constitutes sufficient trust remains questionable. Could there be a universal measure of the adequacy of the trust in alliances? How would one define the adequacy of trust in cross-cultural settings? What is the role of the nature of the industry or the sector and the markets or, even more complicated, what is the impact of contextual factors on the notion of an adequate degree of trust? These issues are anticipated but without any answers being supplied to these symbolic questions. According to the existing literature the inclination to trust is shaped by contextual factors such as culture. The notion of relational small wins that forms part of the model will provide direct inputs into the practical definition of trust as it refers to each of the parties to the alliance.

Within border alliances in many places of the world operate in terrains with which they are familiar although the situation changes once inter-organisational linkages occur across national borders (Ertug et al., 2013). The increase in the importance of contextual factors, particularly culture, accentuates their impact on propensity to trust. The notion of propensity to trust, as anchored in cultural factors, is likely to provide a more realistic assessment of the partner's inclination to trust as it constitutes a balancing effect on perceptions of trustworthiness.

The strength of this proposed model is its adopted notion of relational small wins. The uniqueness of the South African socio-economic setting as regards the asymmetrical distribution of resources between black people or the historically disadvantaged and the white segments of the society render this notion attractive. Firstly, small wins may constitute a recognition of the social uncertainty resulting from decades of separate development which inculcated distrust among the various population groups. Through relational small wins people from across the racial divide may come to trust each other. Secondly, small wins may be compatible with the scarcity of resources and skills of the historically disadvantaged people of South Africa. Beginning with smaller projects, as the tenets of relational small wins dictate, may have two derivatives, namely (a) smaller and less costly projects may enable individuals from the historically disadvantaged segments of society to participate in meaningful economic activities and (b) the positive outcomes of small wins may reduce the perceived vulnerability of the focal partner and increase the trustor's perceptions of the trustworthiness of the trustee.

Generally, propensity to trust is central in moderating perceptions of trustworthiness. The inclination to trust others originates from contextual factors such as culture. People of different cultural backgrounds may differ in their inclination to trust others. In the South African setting, historical social relations may exacerbate the differences between the various population groups and result in distrust between them. For example, the South African government's espoused policies of black economic empowerment may be perceived as favouring one segment of the society only and, thus, adversely affect perceptions of trust. These issues have emerged from the existing literature on trust and the two models elaborated on in this chapter. However, what may not be clear from the two models is McCarter et al.'s (2011) creative use of the notions of social uncertainty and relational small wins. The impression should not be created that McCarter et al. (2011) invented the constructs of social uncertainty and relational small wins. However, they are recognised experts who creatively developed their thesis on trust (for some of the earlier studies on social uncertainty and small wins refer to Aalbers, 2010; Snizek, May & Sawyer, 1990; Post, 1977; Weick, 1984; Zand, 1972). Thus, the proposed integrated model blends distinctive and dissimilar aspects of trust by introducing into the classical organisational trust literature the constructs of social uncertainty and relational small wins. Consequently, it is theorised that the development of trust does not hinge on the antecedents of trust in the classical sense of the word but rather that the achievement of small wins also has a powerful impact on such trust development.

This study is the first of its kind to strive to conceptualise trust in an empowerment domain. To date there has not been any research that seeks to develop a model that encapsulates trust in alliances between HDIs and TCs in South Africa. However, the novelty of the model may render it more vulnerable to criticism. However, it is a proposed model only that should be evaluated on the basis of debates and controversies that it inspires as well as the refutations and corroborations.

3.8 CHAPTER SUMMARY

This chapter began with a conceptualisation of the construct of organisational trust. Several definitions were cited and critically evaluated. A definition of organisational trust as applicable in South Africa's economic empowerment context was also cited. This was followed a review of various theoretical models of organisational trust. Two influential models in the field of organisational trust were extensively discussed as were research findings related to these two and also to other models.

The third section of the chapter discussed the proposed theoretical model of trust. The model borrows from existing literature on organisational trust and is anchored in the South African black economic empowerment domain. Several elements of the model are identifiable.

A critical reflection of the chapter as a whole, including the theory and models of organisational trust as well as the proposed theoretical organisational trust model, was conducted. The limitations, gaps and challenges of the model were highlighted.

This chapter may be regarded as the core of the theoretical component of the study. Specific theoretical research questions were posed in chapter 1. In search of the answers to the questions this chapter contained an extensive review of existing literature related to the study. The relevant research aims posed earlier in chapter 1 are restated below:

Research aim 1: To conceptualise the construct and elements of trust and also how the elements of trust relate to business alliances in the South African economic empowerment context.

The evidence that this theoretical aim of the study has been fully addressed may be found in the definition of the construct of organisational trust and the proposed theoretical organisational trust model that was presented together with its specific elements.

Research aim 3: To conceptualise the implications of the proposed theoretical model for I-O Psychology practice

The evidence regarding this third aim of the theoretical study may be found in section 3.5 – Implications for I-O Psychology. It is vital that managers develop insight into inter-organisational trust. I-O psychologists may utilise the understanding of organisational trust in order to conceive of specific management tasks that will enhance the trust in alliances between HDIs and TCs.

CHAPTER 4: ORGANISATIONAL TRUST AND AFFECT

Albeit shorter than the other chapters, this chapter has two aims, namely (a) to explain, on the basis of the existing literature, the notion of emotions or affect in work and non-work contexts and (b) to posit hypotheses that link the notion of emotions with the focal construct of organisational trust by way of unravelling the interplay between the two (Fan et al., 2012; McAllister, 1995; Schoorman et al., 2007; Webber, 2008).

Trust comprises both cognitive and affective dimensions (McAllister, 1995). While the existing literature on organisational trust generally acknowledges the fundamental role of cognition in trust, emotions have tended to receive a scant attention and, in some cases, have been unwittingly excluded from the conceptualisation of trust (Schoorman et al., 2007). Andersen and Kumar (2006) have also noted that the formation of trust in business relationships is discussed primarily from the cognitive perspective. Few researchers have examined emotional or affective trust to comparable intensities (McAllister, 1995). However, in the majority of relationships characterised by high trust, the trustor has a more positive affect of the trustee (Straiter, 2005). According to Andersen and Kumar (2006), a lack of personal “chemistry” or negative emotions between individuals may lengthen the trust-building process or even result in the relationship being terminated. Thus, the desired emotions are an essential component of collaboration between alliance partners (Ploetner & Ehret, 2006).

As stated in the previous chapter, affective trust is premised on close emotional bonds and is anchored in interpersonal care and concern for the other person (Fan, Anantatmula, Nixon, & Kasprzak, 2012; McAllister, 1995). Smollan (2013) observed that employees who perceived their supervisors and managers as displaying benevolent trust also displayed positive affect. It may, therefore, be surmised that a more profound review of the literature on affect to uncover the intricate, hidden issues associated with emotions is appropriate given the scanty and superficial attention that the subject has received in the study of organisational trust. This is so even despite the observation that, in the main, emotions may be expected to load more highly compared to cognition in shaping the trustors’ perceptions of the trustees’ trustworthiness or benevolence and honesty (Andersen & Kumar, 2006).

The notion of emotions in work and non-work settings is discussed first so as to provide a clearer and more illuminating background to the subsequent discussion on the interplay between emotions and cognitive and affective trust.

4.1 HUMAN ELEMENT IN WORK AND NON-WORK SETTINGS

The review of existing literature revealed that the role of affect in human cognition and behaviour in both work and non-work contexts has been extensively and intensely studied (Mulligan, Christie, Kangura, Pankhania, Sambrook, Samson, et al., 2014; Rosen, Harris, & Kacmar, 2009; Seo, Bartunek, & Barrett, 2004; Watson, Clark, & Tellegen, 1988; Watson et al., 2014). Researchers have often used different approaches as lenses in order to study moods and emotions in both work and non-work contexts (Cropanzano, Weiss, Hale, & Rep, 2003; Sinkovics, Zagelmeyer, & Kusstatscher, 2011). For example, among the taxonomies used for analysing affective experiences are the affective events theory and the cognitive appraisal theory.

Briefly, affective events theory postulates that events and objects internal to the workplace trigger human affect (Cropanzano & Dasborough, 2015; Cropanzano et al., 2003; Weiss et al., 1999). As a result, employees experience positive and negative emotions which, in turn, impact on behaviour. Events that are perceived as presenting hindrances to the achievement of goals often lead to negative affective responses while those perceived as facilitating the achievement of goals leading to positive affective response. In addition, individual differences mediate the impact of emotions on behaviour. Both positive and negative affect play a significant role in that a plethora of work attitudes and factors internal to the work environment are associated with emotions (Ashkanasy, 2002; Ashton-James & Ashkanasy, 2015; Cropanzano et al., 2003; Sinkovics et al., 2011). Ashkanasy and Ashton-James (2008) as well as Ashton-James and Ashkanasy (2015) have proposed that the affect events theory be modified so that it does not focus solely on the events and objects internal to the organisation to the exclusion of those which are external.

According to cognitive appraisal theory, individuals have unique ways of construing the significance of a stressful situation in their lives. Emotions are aroused when individuals evaluate a situation or an event subjectively. This subjectivity in the appraisal of an event raises the possibility of discrete emotions. This implies that two individuals experiencing the same event may display different emotional responses because of their individual subjective appraisals. It is, therefore, not so much a specific event that elicits the emotion as it is the psychological appraisal of the event (Lazarus & Folkman, 1987). As a result, individuals may appraise the situation either positively or negatively. Research on cognitive appraisal theory often uses the cognitive appraisal as a mediating mechanism between a stressful situation and the outcomes of coping (Cropanzano et al., 2003; Lazarus & Folkman, 1987).

Thus far, the concepts of emotions, moods and affect have been used interchangeably. Moods and emotions are seen as closely related but distinguished by their duration and/or intensity diffuseness (Cropanzano et al., 2003). Emotions are viewed as more intense than moods and last for a short duration (Watson et al., 1988). In addition to the subjective feelings associated with emotions, physiological and behavioural components such as a rapid increase in heart rate are typical of emotions (Stanton & Watson, 2014a). As regards diffuseness, emotions have an object or defining event that forms part of the subjective experience, for example, the fear aroused by a specific event. The connection between emotions and their causes may be clearly observed. On the other hand, moods are considered as subjective feeling states with a longer duration than moods, which can last hours or days (Stanton & Watson, 2014a; Watson et al., 1988). In addition, moods are not characterised by an object of interest or defining event and are detached from their proximate causes (Cropanzano et al., 2003).

Cropanzano et al. (2003) have suggested that mood experiences are not always emotional in nature. This suggests that emotions always involve some aspect of mood but all moods do not involve some aspect of emotion. However, this study will adopt the approach that positive affect (PA) and negative affect (NA) affective state dimensions are related to the affective trait dimensions of positive and negative emotionality which reflect individual differences in emotional reactivity (Watson et al., 1988). The state-experienced emotions are triggered by what happens to individuals and their traits (Garcia-Falières & Herrbach, 2014). A high trait PA has also been seen as a reflection of a general tendency to experience state PA (Gilmore, Hu, Wei, Tetrick, & Zaccaro, 2013) with researchers also explaining high trait PA as a reflection of the general tendency to interpret environmental stimuli in positive ways.

The measures developed by Watson and his colleagues (1988) are sensitive to fluctuations in mood when used with short-term instructions such as to the extent to which an individual feels at that point about the alliance in which the individual is involved. When used with longer-term instructions they tend to reveal trait-like stability such as the extent to which an individual has felt in a particular way about the alliance in which the individual is involved. For the purposes of this study the notion of affect or affective experience is preferred because it is in the lexicon of Watson et al. (1988). The study uses the Positive and Negative Affect Schedule (PANAS) scales that were developed and which have become synonymous with Watson et al. (1988).

According to Cropanzano et al. (2003), two structures have been used in order to organise human affective experience and each includes two constructs. The first structure comprises

hedonic tone and affect intensity while the second structure comprises positive affectivity and negative affectivity. As regards the anchoring of hedonic tone, two poles are identified, namely, the high or positive pole associated with pleasant feelings and the low or negative pole which is associated with unpleasant feelings such as sadness. Affect intensity explains the force with which a feeling is experienced. This indicates that affect would be strong at the high pole and weak at the low pole (Cropanzano et al., 2003). The second structure of human affective experience comprises positive affectivity and negative affectivity. Positive affectivity is explained as the tendency to experience intense pleasant feelings while negative affectivity refers to the tendency to experience intense unpleasant feelings (Cropanzano et al., 2003). The high pole of positive feelings is anchored in pleasant affect such as enthusiasm but, at the low, such feelings are non-existent. Similarly, the high pole of negative feelings such as anger is anchored in unpleasant feelings but these feelings are absent at the low pole (Cropanzano et al., 2003).

Both structures have been used extensively over the years (Russell & Barrett, 1999; Tellegen, Watson, & Clark, 1999; Watson et al., 1988; Watson et al., 2014b; Weiss, Nicholas, Daus, 1999). This study recognises the efficacy of both structures and reports on research on both. The positive affectivity and negative affectivity structure for organising human affectivity is regarded as viable and useful but it should also be understood as part of a larger taxonomic structure (Cropanzano et al., 2003). However, for the reasons explained above the study may be said to lean more towards the positive affectivity and negative affectivity structure to organising human affectivity as compared to the other structure.

Affect is central to the way in which people appraise their environments and produce cognitive and behavioural responses appropriate to their effective functioning (Dong, Seo, & Bartol, 2014; Seo & Barrett, 2007; Sloan & Oliver, 2013; Stanley, 2014; Tähtinen & Blois, 2011). As has often been stated, in organisational settings, employees do not make sense of what is going on around them in a neutral way because of the feelings they experience (Bartunek, Rousseau, Rudolph, & DePalma, 2006). Thus, the need to pay attention to affective experience because of its capacity to influence business alliance functioning has often been argued (Mirić & Hernaus, 2011).

Affect is viewed as influential in the way in which individuals approach and understand experience and also how they deal with their tasks and situations (Jain, et al., 2012; Rosen et al., 2009; Seo & Barrett, 2007; Sloan & Oliver, 2013; Stanley & McDowell, 2013). Although people sometimes express what they think about an issue it is the affective reaction that occasions both their thinking and their judgments (Bartunek et al., 2006; Weiss

et al., 1999). Tähtinen and Blois (2011) have observed that there is a stream of thought that argues that cognitive processes such as decision making and human actions are embedded in emotions and, therefore, such cognitive processes and emotions are inextricably linked so that it is not possible to separate them in a meaningful way.

Although the credence of affect in organisational settings was originally considered as secondary, research conducted at the beginning of the 1980s started to view emotions as deep-rooted in every aspect of organisational life. Emotions were crudely classified into negative and positive emotions so as to reflect the functional and dysfunctional or maladaptive role of affects in human functioning (Dong et al., 2014; Zineldin & Hytter, 2012). Emotions are now considered as a fact of organisational life and are, in fact, often referred to as the “human element” in organisational settings (Seo & Barrett, 2007; Seo et al., 2012).

Humans are considered to be capable of regulating their emotions both during and after the occurrence of an event that arouses emotions (Lee & Selart, 2011). Cognitive reappraisal is invoked to cognitively change the interpretation of a situation so that the affective impact of the situation is minimised. This ultimately changes the subsequent trajectory of the affective responses (Lee & Selart, 2011; McRae, Jacobs, Ray, John, & Cross, 2012).

Stanton and Watson (2014a) viewed affect as serving the useful purpose of adaptation while Seo and Barrett (2007) illustrated that people are capable of experiencing intense feelings during decision making and, simultaneously, regulating such feelings so that they do not induce bias that may affect the quality of the decisions made. They concluded that people who experienced intense feelings achieved higher decision making performance.

The significance of emotions has been explored in the existing literature in both the long- and short-term realms as affective dispositions and affective states experienced respectively (Watson et al., 2014a; Steger, Littman-Ovadia, Miller, Menger, & Rothman, 2012). The affective dispositions and affective states of individuals who participate in alliances may shape and be influenced by their experiences in such alliances (Andersen & Kumar, 2006; Tähtinen & Blois, 2011). According to Andersen and Kumar (2006), affect shapes the behaviour of individuals in a relationship and, simultaneously, their perceptions of the trustworthiness of each other. It is contended that participation in alliances may create transient emotions and that such affective experiences, especially if they become intense in due course, may evolve into an architect of individual behaviour as the behaviour may persist for a long time beyond the life of the alliance. The suspected impact of affective experiences on behaviour may leave indelible prints on the long-term coping behaviour of

people, depending on whether it is positive or negative (Seo, Taylor, Hill, Zhang, Tesluk, & Lorinkova, 2012).

Affect plays a central role in the initiation, development, sustenance and dissolution of relationships between people as well as organisations (Andersen & Kumar, 2006). For example, the emotional turmoil stimulated by the notion of the survivor syndrome has become a veritable fact for organisations effecting downsizing (Agwu et al., 2014). In this regard research on the debilitating effects of downsizing and the consequent emotional scars on both the victims and the survivors of downsizing initiatives is recognised and well-documented (Agwu et al., 2014; Brenner, Andreeva, Theorell, Goldberg, Westerlund, Leineweber, Hanson, Imbernon, & Bonnaud, 2014).

Similarly, the concept of the merger syndrome as embedded in mergers and acquisitions reflects the emotional turmoil triggered by uncertainty regarding a host of issues that include the possibility of job losses and threats to social identity and that may remain with those affected long after the merger has been completed (Sinkovics et al., 2011). The emotional impact of change initiatives on the recipients or employees is also well-documented (Bernstrøm & Kjekshus, 2014; Debesay, Harsløf, Rechel, & Vike, 2014; Smollan, 2013). The consequences of affective experiences or both negative and positive emotions and the way in which these contribute to either ineffective or effective coping have also been chronicled (Seo et al., 2012).

Unconventional modes of organising such as virtual organisations and work teams have grown over the years. Technological advancement has intensified the formation of both virtual organisations and globally distributed work teams (Crisp & Jarvenpaa, 2013; Mansor & Mirahsani, 2012). The growing number of virtual organisations and collaborative networks has further compounded the thinking on the role of affects in the modern world of work (Baralou & McInnes, 2013; Belkin, Kurtzberg, & Naquin, 2013; Ferrada & Camarinha-Matos, 2012). However, emotions have also been identified as playing a vital role in such institutions (Belkin et al., 2013). In adopting a communicative view of emotion that relied on text-based computer-mediated communication such as instant messaging and emails as a form of interaction, Baralou and McInnes (2013) illustrated how affects manifest in virtual organisations. It has been observed that, in collaborative networks, the significance of affects is accentuated by the fact that they may either enhance or decrease motivation and conflict resolution (Ferrada & Camarinha-Matos, 2012).

Although the existing literature abounds with empirical research on the significance of affects, the question of whether they are either functional or maladaptive is still frequently asked (Seo & Barrett, 2007; Stanton & Watson, 2014a; Stanton & Watson, 2014b). Larson and McGraw (2014) have conducted an intricate exploration of the manifestation of affects and how they affect human performance. On the other hand, Seo and Barrett (2007) believed that whether affects are either functional or dysfunctional in terms of decision making or whether they are bias-inducing or decision-facilitating depends on how people experience feelings and what they do about such feelings when making decisions. People may experience intense feelings during decision making and, simultaneously, regulate such feelings so that the feelings do not induce a bias that may affect the quality of the decisions made (Seo & Barrett, 2007). However, existing literature has also revealed that the issue of whether one is experiencing positive or negative emotions is of vital importance as this may have different implications for relationships (Andersen & Kumar, 2006; Tähtinen & Blois, 2011).

Accordingly, in organisational settings whether employees express or exhibit positive or negative emotion is of interest because of the implications that affect has on behaviour (Rosen et al., 2009; Sinkovics et al., 2011). For example, the literature review revealed that positive mood tends to have a favourable impact on employee behaviours because employees perceive their co-workers favourably and are likely to engage in organisational citizenship behaviour as well as to enhance relationships (Jain et al., 2012; Tähtinen & Blois, 2011). In business alliances positive affect is said to play a significant role in the resuscitation of problematic alliances (Andersen & Kumar, 2006).

Organisations sometimes use developmental job experience in order to enhance the career success for employees and to improve the human capital of the organisation (Dong et al., 2014). However, the thrust of such developmental initiatives may be perceived or experienced differently by different individuals and may, ultimately, elicit different feelings in the employees concerned. Those who experience pleasant feelings during developmental job experience may, compared to those experience unpleasant emotions, exhibit greater engagement, competence, creativity and adaptability, thus fostering the development of the new skills and abilities necessary at higher job levels (Dong et al., 2014). Similarly, those experiencing the unpleasant feelings may engage less with their developmental job assignments and be less proactive and creative in performing the required duties and responsibilities (Dong et al., 2014). Ashton-James and Ashkanasy (2015) reported that perceptions that an event represents progress towards the achievement of workplace goals

stemmed from the person's positive affective states. Similarly, perceptions of events which threatened progress resulted in negative affective states.

Research in social psychology has also revealed that the threats that people experience may adversely impact on their affects (Legate, DeHaan, Weinstein, & Ryan, 2013) with individuals experiencing higher levels of negative affect when their psychological needs for social connections are thwarted by being compelled to ostracise others (Legate et al., 2013).

It may be deduced from the preceding discussion that organisational interventions, much like employees' perceptions of the events occurring in organisations, are not perceived in a neutral way by employees (Jain et al., 2012; Rosen et al., 2009). Recipients may not experience change interventions in the same way as the architects and exponents of the interventions and they may not make sense of such interventions in an affectively neutral way because of their feelings about the occurrence (Jain et al., 2012). It may be inferred from Dong et al. (2014) and Jain et al. (2012) that employees utilise own gauges to assess interventions and, in order to understand their authentic emotions, it is necessary to investigate both their outlooks and their reactions as elicited by either change or other organisational interventions. Accordingly, Seo et al. (2004) have championed a critique of work motivation and the other conceptualisations of social phenomena that tend to overlook the significance of human affects, averring that such theorisations may be incomplete.

The circumplex model of emotion explains affective experience as comprising two properties, namely, the degree of pleasantness that encapsulates performance along the valence of pleasant-unpleasant and the degree of activation indicative of the energy experienced in terms of the felt activation or deactivation (Russell & Barrett, 1999). The concept of core affects became vital in explaining momentary, elementary feelings of pleasure or displeasure and activation or deactivation. The concept is seen as a central construct that impacts on both the processes and outcomes of work motivation (Seo et al., 2004). The dimensions of pleasant-unpleasant and activation-deactivation are seen as independent (Russell & Barrett, 1999).

Pleasantness is a subjective experience that depicts how well an individual is doing in terms of a hedonic valence of pleasant-unpleasant or positive-negative (Seo et al., 2004). The pleasant pole of this dimension is associated with feeling states such as happy or content while sad and upset are associated with the unpleasant pole (Seo et al., 2004). The second dimension, namely, activation, describes the mobilisation of one's physiological state as regards its level of activation or deactivation. Highly activated implies high arousal and terms

associated with it include tense, alert and excited while high deactivation implies low arousal with the associated terms of calm, relaxed and fatigued (Seo et al., 2004).

An explanation of the theoretical model proposed by Seo et al. (2004) is essential in view of the fact that it elaborates on the role of core affects in behavioural outcomes. For example, the model hypothesised that people in positive feeling states are more likely to behave generatively as they strive to obtain the anticipated positive outcomes while those in negative affective states are likely to focus on avoiding the occurrence of negative outcomes (Seo et al., 2004).

Seo et al. (2010) conducted an empirical investigation of the theoretical model proposed by Seo et al. (2004). While the data derived from the investigation did not support some of the components of their theoretical model, many of the components were supported. For example, core affect was found to be significantly related to the three behavioural outcomes of motivation; (generative orientation), effort and persistence. Thus, this empirical investigation exposed the role and significance of core affects regarding cognitive judgment and human behaviour or performance.

4.1.1 Consensus on the fundamentals

It is clear from a focus on some of the persuasive and notable contributions in the field of emotions that affect, as a feature of human experience, have been widely researched in both work and non-work settings (Jain et al., 2012; Seo et al., 2010; Stanton & Watson, 2014a; Watson et al., 1988). The literature review reveals a large corpus of knowledge with some consensus on the two-factor model of affect (Watson et al., 1988). This does not, however, imply that the literature on affects is a homogeneous and monolithic body of knowledge. Reference to (a) hedonic tone and affect intensity and (b) positive affectivity and negative affectivity as the two structures that have been followed in order to organise human affective experience partly reveal heterogeneity (Cropanzano et al., 2003). The arguments already made as well as those that will be made in subsequent pages intimate a heterogeneity in the thinking on affect.

In one influential stream of thought on emotions positive affect (PA) and negative affect (NA) are considered as epitomising long-term individual differences in human affective experience or the way in which people experience positive and negative feeling states (Stanton & Watson, 2014a). Watson et al. (1988) suggested that both positive affect (PA) and negative affect (NA) are mood factors that are not opposites but, in fact, distinctive dimensions which have been identified as such in factor studies. Research on PA and NA has supported the relative high independence of the two mood factors (Tellegen et al., 1999). However, the NA is not seen as unidimensional and hence, the 10-item scale comprising two sub-scales with four items in one scale referred to as NA-anxiety and the second scale comprising six items entitled NA-anger (Watson et al., 1999). The implication of these scales is that the higher end of each dimension is typified by its presence while the lower end reflects its absence (Galinha, Pereira, & Esteves, 2013; Tellegen et al., 1999). As Cropanzano et al. (2003) stated, the high pole of positive feelings is anchored in pleasant affect such as enthusiasm although, at the low pole, these feelings are non-existent. Nevertheless, the negative feeling is not necessarily present. Similarly, the high pole of negative feelings such as anger is anchored in unpleasant feelings although these feelings are absent at the low pole. However, the positive feelings are not necessarily present.

In short, pleasantness is a subjective experience that depicts how an individual is faring in terms of pleasant-unpleasant or positive-negative dimensions (Seo et al., 2004). The pleasant pole of this dimension is associated with feeling states such as happy or content and is similar to what Watson et al. (1988) referred to as positive affect while sad and upset are associated with the unpleasant pole and, in the lexicon of Watson et al. (1988), this is negative affect. The activation dimension describes the mobilisation of an individual's physiological state regarding level of activation or deactivation. To be highly activated implies high arousal and terms associated with such high arousal include tense, alert and excited while high deactivation implies low arousal with the associated terms of calm, relaxed and fatigued (Seo et al., 2004).

PA is perceived as part of the behavioural activation system (BAS) (Dillard & Anderson, 2004). PA refers to a state of high enthusiasm and alertness. People high in PA experience a great deal of positive feelings and are active, full of concentration and pleasurable engagement (Jain, Malhotra, & Guan, 2012). In addition, people associated with PA are actively involved with the environment (Beer, Watson, & McDade-Montez, 2013). On the other hand, people low in PA, tend to disengage from the world around them and are characterised by sadness and lethargy (Jain et al., 2012; Watson et al., 1988). PA has been shown to have comparatively stronger negative correlations with some psychopathological

disorders but positive correlations with disorders exemplified by excitement seeking and excessive reward pursuit (Stanton & Watson, 2014a).

Avoidance, sensitivity to cues of punishment and negative emotional states tend to dominate NA (Beer et al., 2013). In the realm of psychopathology high levels of NA have been identified as a feature of many forms of psychopathological disorders. However, Stanton and Watson (2014a) were of the view that further research is essential at the facet level of NA and PA in order to provide a deeper and more nuanced understanding of emotional dysfunction in psychopathology.

More complex findings have been made regarding the dynamic interplay of NA and PA in clinical depression cases as reductions in NA reductions were observed following increases in PA (Wichers, Lothmann, Simons, Nicolson, & Peeters, 2012). Wichers et al. (2012) highlighted the significance of the moment-to-moment assessment of affects in the treatment of depressed patients.

NA is seen as part of the behavioural inhibition system (BIS) (Dillard & Anderson, 2004) and is regarded as essential for individual survival as it fosters avoidance type behaviours when an individual encounters potentially threatening conditions. It is also regarded as a disposition to experience negative feelings (Jain et al., 2012). NA refers to a general dimension of subjective distress characterised by several aversive moods, including anger, guilt, disgust and fear. Low NA is associated with states such as serenity and calmness while high NA individuals are characterised by states such as anger, disgust, contempt, restiveness and nervousness (Watson et al., 1988).

In their study aimed at developing and validating the Positive Affect and Negative Affect Schedule (PANAS) scales, Watson et al. (1988) concluded that PA generated 10 descriptions, namely, attentive, interested, alert, excited, enthusiastic, inspired, proud, determined, strong and active. On the other hand, NA also generated the following 10 descriptions, namely, distressed, upset, hostile, irritable, scared, afraid, shamed, guilty, nervous and jittery. As already explained NA comprises two sub-scales (Watson et al., 1988). Watson and his colleagues found that the mean scores on both PA and NA scales tended to increase with an increase in the rated time. This implied that, as the rated time frame lengthens, the probability that one will have experienced a significant amount of a given affect also increases.

The conceptualisation of PANAS as a two-factor model is supported by the low correlation between the PA and NA scales which ranged from -0.12 to -0.23, thus revealing that the two scales shared 1% to 5% of their variance in a sample of college students. This indicated quasi-independence (Watson et al., 1988). The construct validity of the PANAS is supported by research (Galinha et al., 2013). In a sample of adult participants the alpha reliabilities of the PANAS PA and NA scales were reported as 0.86 and 0.87 respectively with an inter-scale correlation of -0.09 (Galinha et al., 2013).

The argument that the two scales, PA and NA, measure two independent traits implies that a person may be high on both, low on both or high on one and low on the other (Jain et al., 2012). Cropanzano et al. (2003) examined the dissension between the originators of the scale and the dissenting views on the issue of whether the two scales measure independent traits as submitted by the former. The PANAS has also been censured, among others, Steger et al. (2012).

When the PANAS scales (Watson et al., 1988) were used with short term instructions, such as the immediate present, they tended to be sensitive to fluctuations in mood (Watson et al., 1988). However, when longer-term instructions, such as the past year, were used they revealed trait-like stability (Watson et al., 1988). Research supports the temporal stability of the PANAS (Galinha et al., 2013).

Thus far, the discussion has indicated that PA and NA are separate constructs. However, later discussions will highlight how affect manifests in a diversity of settings and whether it is plausible to experience a mixture of positive and negative emotions. The chapter will culminate in a more focused discussion on the interplay between affects and trust.

The PANAS and associated scales have been used in a variety of settings that include self-inflicted pain, involuntary biographical memories in the context of psychiatry, clinical assessments and work or organisational settings (Bartunek et al., 2006; Clark, Mackay, & Holmes, 2013; Dong et al., 2014; Egan, Shafran, Lee, Fairburn, Cooper, Doll, et al., 2015; Mulligan et al., 2014; Stanton & Watson, 2014b).

Beer et al. (2013) established the convergence between neuroticism and NA and between extraversion and PA. However, to illustrate this convergence is, for example, to acknowledge and accentuate the point that PA focuses on the frequency with which a person feels positive emotions whilst extraversion refers to a broader range of experiences that subsumes PA but also includes cognitive and behavioural elements (Beers et al., 2013).

Similarly, while arguments in favour of convergence can be made for some measures of neuroticism and NA the point may also be made about the non-overlapping content that differentiates the two constructs. In this respect, NA is viewed as broader and as subsuming some negative affect such as the guilt and shame that are not assessed in certain measures of neuroticism. In common with extraversion, neuroticism includes a cognitive and behavioural content (Beer et al., 2013).

Other researchers have viewed affects as continuously following a fluctuating trajectory but, essentially, returning to their baseline or a zone of stability over time (Pettersson, Boker, Watson, Clark, & Tellegen, 2012). Emotions are regarded as vital for understanding human behaviour and functioning in a specific environment (Garcia-Falières & Herrbach, 2014; Seo & Barrett, 2007). Pettersson et al. (2012) have argued that constant fluctuations in affects may be a feature of normal emotional self-regulation. In line with this assertion and the view of Stanton and Watson (2014a), it may, thus, be assumed that emotional self-regulation is an important component of human adaptation and that, ultimately, it functions within a specific environment. It has also been concluded that the feelings and emotions experienced during decision making may have a positive impact on the quality of the decision as it was found that people who experienced intense feelings also achieved higher decision making performance (Seo & Barrett, 2007). Stanton and Watson (2014a) viewed moods as serving a useful purpose and as adaptive in nature. However, such notions of adaptation have been sharply censured on the grounds that there are times when it is vital that affects are regulated (McRae, et al., 2012). Arguments in favour of more cognitive processes, such as reappraisal ability (RA), have been advanced by the cognitive control school of thought for RA (McRae et al., 2012). The cognitive interpretation of the triggering situation alleviates the emotional or affective impact of the situation and this may even help in changing the trajectory of subsequent affective responses to be given (Lee & Selart, 2011; McRae et al., 2012). People who are higher in RA tend to successfully decrease their negative affect and demonstrate a greater life satisfaction than those who are lower in RA (McRae et al., 2012).

However, to intimate that feelings may be prevented from having a direct impact on performance may be misconstrued as advocating a mechanistic approach to understanding human behaviour and performance and invariably invoking the inappropriate machine metaphor. However, it is worth noting that a discussion that appears to focus exclusively on emotions may create an impression that the reliance is solely on affects to the exclusion of cognitions. By the same token, it is conjectured that juxtaposing emotions and cognition may suggest a hierarchy with the focal construct at the apex, thus concealing the

complementarity of the two constructs. The significant point is that it is important that people understand their feelings during decision making so as to synchronise them in a purposeful way (Seo & Barrett, 2007). In so doing the individual is also engaging his/her cognitive aspects. Although it is more of a speculative finding, research has also found interplay between cognitive schemas and the transfer of positive emotions from one moment to the next (Wichers et al., (2012). Cognition is hypothesised to play a positive role in people with a history of depressive episodes as they learnt to amplify the positive emotions and, thus, to compensate for their emotional imbalance (Wichers et al., 2012). Andersen and Kumar (2006) have argued for the reciprocal linkage between emotions and cognition, contending that cognitive states result in emotions while emotions influence cognitive states.

Research in the field of Industrial and Organisational Psychology has revealed the pivotal role of affect in explaining human behaviour in organisational contexts (Jain et al., 2012). In view of the fact that PA and NA are mood factors that are not opposites but distinctive dimensions and identified as such in factor studies, it is reasonable to assume that moods have varying effects on organisational behaviour. For example, and as already explained, PA is seen as part of the BAS and NA as part of the BIS. However, the two tend to elicit different feelings that are not necessarily mutually exclusive (Dillard & Anderson, 2004). As already explained PA and NA are two independent traits. Consequently, positive activation and negative activation may co-occur as in the case of intense determination and distress which occur simultaneously. Positive and negative emotions coexist, even in problematic business relationships, and influence what occurs in that relationship (Tähtinen & Blois, 2011).

Using a variety of studies, Larsen and McGraw (2014) illustrated how positive and negative emotions manifested and how people may experience both such emotions concurrently. They concluded that people may experience a mixture of certain emotions. The basis of this conclusion may lie in the fact that some emotions, such as those measured by PANAS, are not opposites of the same trait but, instead, are independent traits.

Regarding mixed emotions as the more intriguing notion of the dimorphous expressions of positive emotions, the study conducted by Aragón, Clark, Dyer, and Bargh (2015) revealed that two distinct expressions arose from a single stimulus, a singular positive appraisal and a singular emotional response. They used a positive stimulus to illustrate the existence of dimorphous expressions and to hypothesise that such expressions may serve as regulators of emotion. People often express negativity, for example, by crying when they are overwhelmed by positivity such as being promoted or after winning a lottery (Aragón et al.,

2015). However, one of the plausible explanations regarding the co-occurrence of positive and negative moods refers to the intensity of the mood experience so that the more intense mood experience will neutralise the weaker counterpart (Cropanzano et al., 2003).

The mediating role of PA and the NA in the volunteerism's impact on service-oriented organisational citizenship behaviour has been reported (Jain et al., 2012). PA and NA were also found to have both a positive and a negative impact on service-oriented organisational citizenship behaviour respectively. It was established that service-oriented organisational citizenship behaviour is facilitated by positive affective processes and inhibited by negative affective processes respectively (Jain et al., 2012).

The role of affect, specifically pleasantness which relates to positive affect, has been found to play a pivotal role in the implementation of change interventions by organisations as pleasantness was associated with the meanings that participants attributed to the intervention (Bartunek et al., 2006). A more complex finding regarding the positive and negative affective experiences of employees during the first phase of organisational change were associated with both their commitment to the success of the change process and to their behavioural responses during the second phase of the change process. The more specific behavioural responses focused on included employee support for change, resistance to change and the creative behaviours essential for enhancing the success of change (Bartunek et al., 2006; Seo et al., 2012).

The impact of employee affect on increasing the prospect of successful organisational change was investigated by Seo et al. (2012). The positive relationship between positive affect and commitment to organisational change during the initial phase of the change process was also been reported, specifically, the employee positive affect experienced during the initial phase of the change process was significantly and positively related to both affective commitment and normative commitment (Seo et al., 2012). However, the employees' experience of negative affect during the initial phase of the organisational change initiative was not significantly related to either the affective or normative commitment to change reported during the initial phase of the study (Seo et al., 2012).

Affective disposition has been found to be significant for work engagement among employees who perceive their work to be less meaningful. In other words, in the absence of meaningful work, employees with high positive affective disposition are likely to be more engaged than those with low positive affective disposition (Steger et al., 2012). Work engagement has become increasingly significant for both individual employees and

organisations. It is construed as the extent to which employees involve themselves in their work and is associated with a positive state of mind as well as physical, cognitive and emotional energy. On the basis of the findings of Steger et al. (2012) it may be surmised that the positive relationship between affective disposition and work engagement may be crucial for positive individual and organisational outcomes.

In line with the findings Steger et al. (2012), it may be deduced that the link between positive affective disposition and positive work experience may mean desired positive emotions such as interest. Individuals with positive affective dispositions and those experiencing positive affective states may be proactive and adaptive, thus making it possible for them to perceive challenges as opportunities for advancement and growth, even in business alliances. Positive emotions have a significant role to play in circumventing the organisational problems that may precipitate ineffectiveness (Glasø, Notelaers, & Skogstad, 2011).

In the case of auditors, organisational identification and professional identification were shown to have different relationship with emotions (Garcia-Falières & Herrbach 2014) with the reported relationship being positive for organisational identification but ambivalent for professional identification. Organisational identification implied a positive attitude toward the organisation while professional identification correlated with both positive and negative emotions but demonstrated a significant correlation with negative emotions only (Garcia-Falières & Herrbach 2014).

Developmental job tasks were found to be positively related to pleasant feelings (Dong et al., 2014). This implies that employees who perceived the developmental job experience as a challenge were likely to develop pleasant feelings. In view of the fact that pleasant feelings encapsulate an orientation that views developmental job experiences positively and as a challenge, the report that pleasant feelings were positively related to employee advancement potential but negatively related to turnover intentions comes as no surprise (Dong et al., 2014). Pleasant feelings were also found to mediate the relationship between developmental job experiences and advancement potential with developmental job experience being positively and indirectly related to advancement potential through pleasant feelings (Dong et al., 2014).

Earlier in the chapter reference was made to employees' perceptions and their experiences of job assignments and the notion of pleasantness. At the core of that discussion was the argument that employees do not appraise assignments and other organisational interventions in a neutral way. Clearly, the perceptions and experiences induce different

feelings among them. Employees do not always experience pleasantness during developmental job assignments (Dong et al., 2014). This is often the case in instances where employees perceive an assignment as a threat. The view of a developmental job assignment as a threat may imply that the incumbent may perceive the demands that the assignment which makes him/her impede his/her personal growth and goal attainment (Lazarus & Folkman, 1987). Employees who experienced unpleasant feelings were less likely to demonstrate the required leadership capabilities and may, ultimately, receive an unfavourable rating of their potential for superior performance in high-level positions (Dong et al., 2014).

Unpleasant feelings are negatively related to advancement potential (Dong et al., 2014). Unpleasant feelings have also been found to mediate the relationship between developmental job experience and advancement potential such that development job experience was negatively and indirectly related to advancement potential through unpleasant feelings (Dong et al., 2014).

In terms of the affective events theory it may be inferred that the developmental job assignment may, plausibly, be an event in the workplace that is viewed differently as either an annoyance or as a challenge by employees. As a result, employees experience either positive or negative emotions which, in turn, impact on behaviour. Employees who perceive a developmental job assignment as an annoyance or as a hindrance would probably experience negative affective responses while those who perceive such an assignment as enhancing their goal achievement would experience a positive affective response. Individual differences mediate the impact of emotions on behaviour while the ensuing work attitudes are influenced by the affects experienced (Ashkanasy & Ashton-James, 2008; Cropanzano et al., 2003).

By relying on cognitive appraisal theory to interpret the issue of developmental job assignment enunciated above, it may be deduced that individuals use their psychological appraisal of the event. Consequently, some appraise it positively while others appraise it negatively because they construe the assignment in different ways. Negative perceptions of an annoyance and positive perceptions of a challenge are manifestations of the corresponding affect (Ashkanasy & Ashton-James, 2008).

Lazarus and Folkman (1987) argued strongly about the concepts of stress and coping. It has been argued that employees differ in their experience of positive emotions because they differ in certain dispositions (Lazarus & Folkman, 1987). The review of the existing literature

has revealed that employees with certain favourable dispositions are likely to experience positive affects (Lin, Wu, Chen, & Chen, 2014). Firstly, Lin et al. (2014) found high positive correlations between challenge appraisal, challenge stressors and positive affect at work. They explained challenge appraisal as the extent to which an individual believes that he/she will experience growth as a result of a stressful experience while challenging stressors are regarded as work-related demands such as the time pressures and work load that the individual perceives as essential for growth and job performance. However, they asserted that individuals with high challenge appraisal experienced high challenge-related stress in their work (Lin et al., 2014).

Challenge appraisal was also found to be a moderator of the relationship between challenging stressors and positive affect at work such that when the challenge appraisal was higher the challenging stressors manifested a stronger positive association with positive affect at work (Lin et al., 2014). Similarly, when challenge appraisal was higher, challenging stressors were found to have a stronger mediation effect on the association between challenge appraisal and positive affect at work (Lin et al., 2014).

PA is significantly associated with job performance (Alessandri, Vecchione, Tisak, Deiana, Caria, & Caprara, 2012). For example, the positive effect of trait PA on performance is generally assumed to be positive (Dong et al., 2014). Trait PA is conceptualised as significant for people's tendency to experience state PA and affects their tendency to interpret environmental stimuli in positive ways (Watson et al., 1988). Nevertheless, the review of the existing literature highlighted the complexity of the association (Gilmore, Hu, Wei, Tetrick, & Zaccaro, 2013). For example, the literature on the impact of leadership style on follower performance increasingly reflects the complexity of the association (Glasø et al., 2011; Zineldin & Hytter, 2012). Gilmore et al. (2013) found that the follower characteristic of trait PA moderates the effect of transformational leadership on follower creative performance such that as the follower trait PA increased, the association between the former and the latter diminished. The negative relationship was also observed as an increase in the follower characteristic trait PA was accompanied by a decreased association between transformational leadership and organisational citizenship behaviour. Consequently, among followers lower in trait PA, transformational leadership was positively related to organisational citizenship behaviour (Gilmore et al., 2013). The association of emotions and any specific leadership style has been further compounded by the role that contextual issues play (Zineldin & Hytter 2012).

The centrality of individual differences and affect, specifically NA, also featured in the study conducted by Rodwell and Gulyas (2015) on breaches of the psychological contract as well as the study conducted by Rodwell, Demir, and Steane (2015) on bullying in the workplace. In view of the fact that NA is considered as a disposition to experience negative feelings and negative experience of the world (Watson et al., 1988), researchers have conjectured that such individuals who exhibited NA were more sensitive to both a breach of the psychological contract and bullying (Rodwell & Gulyas, 2015; Rodwell et al., 2015).

In short, the discussion has up to this point has endeavoured to elucidate from the existing literature the notion of emotions in work and non-work contexts. The next section of the chapter strives to link the notion of emotions and affect with the concept of trust. It is hoped that the connection between emotions and organisational trust will become meaningful given the preceding background on affect. Organisational trust was also discussed in chapter 3.

4.2 TRUST AND EMOTIONS

This section endeavours to reconnect with the concept of organisational trust as discussed in chapter 3 by restating the now taken for granted view that trust comprises cognitive and affective dimensions (Fan et al., 2012; McAllister, 1995; Schoorman et al., 2007; Swift & Hwang, 2013; Webber, 2008). The focus of this section is the interplay between the notions of organisational trust and affect. The truism that even personal trust involves emotional bonds between individuals and that the betrayal of such trust is expressed in emotional pain resonates with the aim and core of this section (Straiter, 2005). This discussion may, therefore, be seen as a prologue to the empirical investigation into the way in which affect may, at some point, interrelate with the organisational trust in alliances between TCs and HDIs. Based on the thesis that affective trust is premised on close affective bonds and interpersonal relationships (McAllister, 1995; Webber, 2008), the notion that individuals involved in alliances between TCs and HDIs may associate their participation in such alliances with certain emotions becomes plausible, although not definite.

The essence of the preceding statement should not be understood as either underestimating or negating the interplay between cognitive trust and affect in organisational settings but, rather, to theorise that, while the association between emotions and affective trust may be straightforward, it is possible that research may reveal a more complex interaction between emotions, cognitive and affective trust. For example, shared goals between alliance partners are positively and significantly related to both cognitive and affective trust (Zur, Leckie, & Webster, 2012). As already stated in the previous chapter, cognitive trust is linked

with beliefs about ability, dependability and competence while affective trust is grounded on reciprocal feelings, care and concern (Das & Teng, 1998). The existing literature on trust has revealed that both trust dimensions are highly correlated and distinguishable, for example, in instances in which skills and integrity, in the form of values and principles, are supplemented by benevolence which is expressed as the affective acknowledgement of the mutual concern inherent in the relationship (Johnson & Grayson, 2005). The discussion that follows will not repeat the discussion on trust but, instead, strive to advance and make more explicit the connection between affects and organisational trust. To seek to advance this connection is, therefore, to negate the view that emotions are the antithesis of rationality.

Emotions and affective states have a major impact on trust which, in turn, has a fundamental influence on the behaviour of team members or partnering organisations (Andersen & Kumar, 2006; Tenzer, Pudelko, & Harzing, 2014). Embedded in this statement is the way the construct of organisational trust may affect or be affected by positive and negative emotions. This issue will be explored below. However, before proceeding with the discussion on the interplay between affects and organisational trust, it is worth reiterating a few of the relevant constructs that constitute the bedrock of organisational trust. It is hoped that this précis will help to clarify the representation of the interplay between affect and organisational trust.

4.2.1 Rendering oneself vulnerable: context for the interplay

This section encapsulates some of the central thoughts relating to the concept of organisational trust. The concept of organisational trust comprises numerous attendant constructs that may merit a brief reiteration because of their saliency or relevance to and their impact on the discussion at hand. Again, these summaries are provided because they are deemed to be essential and because they illuminate the issues under discussion. Secondly, they also make possible a more fluid or smooth discussion of the interplay between trust and affect.

Social uncertainty is premised on the notion that, when organisations form alliances, they may know little or nothing about each other's current and future behaviour while the rewards of such a venture are also often uncertain (McCarter et al., 2011). In the context of this study, social uncertainty is associated with a lack of information about the partnering organisation. Social uncertainty may impede co-operation between the partners as the focal organisation may feel that it cannot trust the trustee to work for the interests of the alliance. It is intriguing to visualise the challenges involved in trusting a stranger (such as a representative of the organisation with which an alliance is sought) regarding whom one has

no track record of his/her trustworthiness in order to form a judgment (Lee & Selart, 2011). In the case of a potential business alliance partner there is a reward for contributing to the venture but there is also a risk element involved (McCarter et al., 2011; Zand, 1972). The notion of social uncertainty is associated with the concept of organisational trust as conceptualised by Mayer et al. (1995). Specifically, the notion of the focal organisation's willingness to be vulnerable to the trustee organisation amplifies the element of risk in an alliance relationship. Thus, rendering oneself vulnerable introduces the idea that the focal organisation has something of importance to be lost – there is risk (Gill et al., 2005; Mayer et al., 1995). However, in order to encapsulate the essence of the construct, trust does not involve being vulnerable per se but, instead, denotes as willingness to take risk (Mayer & Davis, 1999; Schoorman et al., 2007; Tenzer et al., 2014).

A lack of certainty regarding the behaviour of the trustee together with the notion that there is something of importance to be lost imply that some form of judgment in order to appraise or intuit the trustee is indispensable. Mishra's (1996) dimensions of trust or the antecedents of trust as proposed by Mayer et al. (1995) provide the criteria against which one may cognitively form a judgment about or intuit feel the trustworthiness of the partner organisation. Of course, the concept of organisational trust is more complex than it is suggested in the preceding statement which may suggest that it is only the trustor's perceptions of trustworthiness that is relied upon as a yardstick. However, there are other related variables which are also of vital importance, for example, the trustor's propensity to trust. The use of the antecedents of organisational trust as the fulcrum for a discussion on the interplay between organisational trust and affect is aimed at simplifying a more complex social phenomenon but without being simplistic about it. It may be said that modelling the interplay is a way of approximating a more complex reality. However, it may also be argued that this theorisation is not out of touch with existing literature and, in fact, makes sense within the boundaries of affect – the antecedents of trust are often related with affect (Lee & Selart, 2011). This study is fully cognisant of such complexity.

For the purposes of explaining the interplay between organisational trust and affect the study adopted McAllister's (1995) taxonomy of affective and cognitive trust types (McAllister, 1995). As it will become clearer in the discussion that follows the antecedents of organisational trust are heuristically located within the affective and cognitive groupings. Generally, ability-based and integrity-based types of trust are categorised under cognitive trust whilst benevolence is categorised under affective trust. This study uses this delineation of trust as an intellectual scaffold in order to explain the interplay of trust with affect (Smollan, 2013). However, it must be noted that using this delineation does not suggest that

the researcher is oblivious to what Andersen and Kumar (2006) referred to as reciprocal linkage between emotions and cognitions. Again, it must be said that, in line with the interpretive paradigm, the modelling is for the purposes of approximating a relative and complex reality.

4.2.1.1 Benevolence-based trust and emotions

Whereas the relationship between cognitive trust, specifically ability-based and integrity-based trust and affect, is often perceived as difficult to comprehend, the association between emotions and affective trust has been viewed as uncomplicated (Andersen & Kumar, 2006; McAllister, 1995). To demonstrate this point, reference is made to Ueltschy's (2013) definition of affective trust as the confidence that the trustor places in the trustee which is based on the emotions elicited by the caring, benevolence and concern for the trustee as seen in the interaction between the trustor and the trustee. This definition clearly shows the affinity of affective trust with benevolence-based trust and, thus, the uncomplicated symbiosis of the two. To argue in favour of this convergence between affective trust and benevolence-based trust is not to equate the two but, rather, to indicate that benevolence-based trust may be subsumed under affective trust. This, thus, suggests that, within the two broad realms of trust, there are the elements of trustworthiness or the characteristics of the trustee as propounded by Mayer et al. (1995). Affective trust is seen as broader than benevolence-based trust because it is conceivable that the other antecedents of trust may, under certain conditions, also be subsumed under emotional trust. Thus far a detailed discussion of the association has not been undertaken although a few references to the association have been made.

A closer analysis of Ueltsky's (2013) definition reconnects with both the concept of benevolence (Mayer et al., 1995) and Mishra's (1996) concern dimension of trust. Benevolence is regarded as an antecedent of trust which is anchored in the trustor's expectation that the trustee will have the trustor's interests at heart (Mayer et al., 1995). Benevolence or the concern dimension of trust is rooted in the confidence that something that the trustor holds in esteem will not be harmed by the other party to the alliance. Benevolence or concern in relationships reflects affective trust as it relies on interpersonal feelings which are believed to evolve over a longer period of time than cognitive trust (Tenzer et al., 2014). The finding of Tenzer et al. (2014) that benevolence-based trust does not take longer to develop compared to cognitive trust is contrary to the propositions advanced by both Mayer et al. (1995) and Schoorman et al. (2007).

In relationships that are high in affective trust strong emotional bonds are developed and these are often expressed as concern during the partners' interactions (Lee & Selart, 2011). In view of the fact that affective trust is said to evolve over time, it is possible to theorise about both its fragility and the repercussions of its transgression or betrayal by the trustee. A perceived reduction in affective trust means a decline in trust and may persuade the trustor to rely on monitoring and a more calculated trust (Andersen & Kumar, 2006). Personal chemistry is central in relationships and strained emotional bonds would mean less concern or caring for the other party than would otherwise have been the case. As Andersen and Kumar (2006) observed, the betrayal of this type of trust accounts for the termination of many business alliances.

The existing literature often professes that trust is demonstrated when parties to the relationship feel that an emotional bond exists between them (Zur, Leckie, & Webster, 2012). The emotional bond leads to a feeling of security on the part of the trustor. Positive emotions are said to enhance knowledge sharing among co-workers (Casimiri, Lee, & Loon, 2012). The focal organisation is prepared to share knowledge with the trustee because the trustee is caring and, therefore, trustworthy. Knowledge sharing or access to knowledge remains one of the primary considerations when organisations form alliances (Nielsen & Gudergan, 2012; Yang et al., 2011). In the case of virtual teams affective trust has been reported to be peripheral because of insufficient time to dedicate to the building of interpersonal relationships (Crisp & Jarvenpaa, 2013).

4.2.1.2 Ability-based trust and emotions

Competence is seen as a dimension that exists between individuals at an interpersonal level, intra-organisationally as in employees' trust in the management or organisation and inter-organisationally as between an organisation or its supplier and alliance partner (Mishra, 1996; Tenzer et al., 2014). Competence as a dimension of trust refers to the extent to which the trustor beliefs that the trustee organisation will survive and deliver on its obligations because it possess the requisite expertise and ability at both the technical and the managerial levels (Brahma & Chakraborty, 2009; Crisp & Jarvenpaa, 2013). Thus, competence refers to the belief of the one partner that the partnering organisation is competent to survive and do well in the market. In other words, it concerns the ability of the partnering organisation to perform according to expectations (Şengün & Wasti, 2011).

Employees' perceptions of how their supervisors handled the change process have revealed both high and low ability trust in the supervisors (Smollan, 2013). In addition, the employees' perceptions of their supervisors' trustworthiness (expressed as ability) were accompanied by positive emotional reactions of lower intensity than the negative emotions (expressed as frustration and anger) expressed at managerial incompetence. Smollan (2013) noted positive and negative emotional reactions on the part of employees to what they experienced as the supervisors' and managers' incompetence in an organisation that was undergoing a change process. It is, thus, clear that, whereas ability-based trust may be subsumed under cognitive trust, emotional reactions may be corollary to such cognitive evaluations. Also significant in Smollan's observation was the distinct intensities of the emotions expressed with negative emotions being expressed more intensely than positive emotions.

Although assessing the ability of a partnering organisation may be seen as a simple and straightforward matter it is, however, a complex matter when one considers that ability may be appraised at different foci such as the technical skills and management competences of the partnering organisation. However, in addition to the different competence domains, there are times when a partner's ability may become confused with other issues and become distorted. For example, in multinational work teams including diverse language members, it was found that the language-based attributions of low competence reduced the perceived ability-based trustworthiness of the members (Tenzer et al., 2014). Clearly the issues of language competence as regards the second language speakers in the multinational team and their technical competence had become confused, thus resulting in lower ability-based trustworthiness judgements than may otherwise have been the case.

In a study aimed at evaluating the effects of group affective tones on creativity, Tsai, Chi, Grandey, and Fong (2012) found an intriguing and intricate interplay between group affects and creativity. Specifically, positive group affective tones interacted with trust in a way that hindered group creativity when both variables were high. In other words, Tsai and his co-researchers found that, when team trust is high, team members failed to connect the desirable positive group affective states with creativity. Group centrism was cited as a plausible explanation for this finding (Tsai et al., 2012).

The literature on social psychology contends that the psychological basis of group centrism is the polarisation in evaluations of the in-group and out-group – seeing the social world in binary or in black and white (Federico, Hunt, & Fisher, 2013). Group membership provides members with information on what the world is like and how the members should behave in

situations with the in-group becoming the reference point for judgments of behaviour (Federico et al., 2013; Livi, Kruglanski, Pierro, Mannetti, & Kenny, 2015). On its own, group positive affective tone is neither an undesirable nor a detrimental group attribute. However, it becomes so once a group comes to view itself as a reference point of behaviour and strives to uphold “groupness” (Federico et al., 2013; Livi et al., 2015).

This is obviously not to suggest that trust is harmful in teams but, instead, that a combination of high trust and high positive group affective tones may be undesirable. A more desirable situation is high positive group affective tones and low trust or the reverse (Federico, et al., 2013). When group members start to gravitate toward group centrism, they tend to reject other opinions, hence the stifling of creativity when this is accompanied by high trust. Federico et al. (2013) found that, in cases of low team trust, positive group affective tones had the desirable effect on creativity. This may be attributed to the fact that group members may be more willing to process information under this condition.

Closely intertwined with the preceding arguments is the issue of affective states in groups. It is postulated that the impact of the level of negative affective states is dependent on the influence exerted by the group. If the level of negative affective states of the group is too strong, this may expedite the dissolution of the relationship (Andersen & Kumar, 2006). Similarly, if the most dominant or influential individuals hold negative affective states, this may accelerate the termination of the relationship (Andersen & Kumar, 2006). Negative emotions have been found to foster the termination of problematic relationships (Tähtinen & Blois, 2011) with negative emotions often accounting for a decrease in motivation to trust and engendering distanced relationships among groups (Andersen & Kumar, 2006; Tähtinen & Blois, 2011).

The resuscitation of the alliance relationship becomes feasible in instances in which the termination occurred in the midst of positive affective states between the parties to the relationship (Andersen & Kumar, 2006). Positive emotions have also been observed to enhance the recovery of problematic relationships (Tähtinen & Blois, 2011).

4.2.1.3 Integrity-based trust and emotions

Previously, integrity based trust was identified as one of the three integral elements of trustworthiness in terms of the model proposed by Mayer et al. (1995). It refers to the trustor's perceptions that the trustee is committed to a set of acceptable principles and values which, for example, may include fairness and promise fulfilment (Mayer et al., 1995;

Mayer & Davis, 1999). Therefore, an individual may be perceived as trustworthy to the extent that he/she espouses and adheres to the values that the trustor views as positive.

To suggest that a trustee organisation has integrity is to affirm that such an organisation espouses and adheres to acceptable values (Mayer et al., 1995; Mayer & Davis, 1999; Tenzer et al., 2014). Thus, shared values and adherence to such values are the cornerstones of integrity. As an element of trustworthiness, integrity creates a strong connection and attachment between the partners and concurrently enhances the trust essential for cooperation and collaboration (Silva et al., 2012). From the perspective of the trustor, cooperation and collaboration are facilitated and expedited by the focal organisation's perceptions that the trustee is behaving/will behave in a fair, honest and consistent manner towards the focal organisation. Such trustor perceptions regarding the trustee's behaviour may be based on previous records or incidents in respect of the way in which the trustee related to other organisations with which it entered into alliances (Tan & Lim, 2009).

Thus, perceptions that the trustee is not dependable may be experienced either directly by the trustor or indirectly as may have been observed or discovered in previous alliance relationships. However, perceptions that the trustee lacks integrity may sometimes be more complex than is suggested. For example, perceptions of an undependable work ethic caused by misunderstanding due to language barriers have been reported among multinational teams (Tenzer et al., 2014). Attribution errors are more likely to occur in settings where language barriers exist between the parties. Instead of accepting that the unmet expectations were the result of a language barrier, the trustor may persist with the view that it is the trustee's internal disposition that explains the undependable work ethic and that the trustee is hiding behind the language barrier (Tenzer et al., 2014). The attributions of low dependability have undesirable implications as they tend to diminish the integrity-based trust in the trustee, especially if the trustee is perceived to be undependable for selfish reasons (Tenzer et al., 2014). Although primarily a cognitive issue, it may be theorised that being undependable for selfish reasons may be perceived as indicative of intentions to harm the interests of the trustor, thus betraying benevolent-based trust (Tenzer et al., 2014).

The existing literature on affects and trust revealed that partners who share values may tend to be characterised by positive affective states which, in turn, engender the deeper levels of trust essential for closer collaboration between the partners (Andersen & Kumar, 2006). In accordance with the preceding line of thinking and the complementary empirical evidence, one may then conjecture about the association of integrity-based trust and the various

feelings and emotions that characterise alliances that abound with integrity. It is possible to surmise that high integrity trust relationships may be characterised by positive affect. In terms of the delineation of trust into cognitive and affective dimensions, integrity-based trust may be categorised under the former. Accordingly, in line with Lee and Selart (2011), it may be argued that affect is not limited to affective trust and that cognition is not the antithesis of affect.

Researchers have investigated the direct effects of emotions on integrity-based trust (Chen & Ayoko, 2012). In line with the positive and negative affect concept as proposed by Watson et al. (1988), individuals may be high or low in either of the two. High PA has been described as a state of high energy, full concentration and pleasurable engagement (Watson et al., 1988). Positive affect, specifically enthusiasm and excitement, have been found to be positively and significantly related to integrity-based trust (Chen & Ayoko, 2012). In the view of Chen and Ayoko (2012), positive emotions such as excitement and enthusiasm are crucial for increased perceptions of integrity-based trust. Relationships characterised by such affect show the increased interactions essential for facilitating integrity-based trust. Reactions to organisational events which are perceived to be within the control of supervisors, such as supervisors acting honestly and fairly during change process, elicited positive feelings and, subsequently, enhanced the commitment to change (Smollan, 2013).

Negative affect, specifically guilt, is reported to result in increased integrity-based trust (Chen & Ayoko, 2012). The plausible explanation for this is that guilt is an internally-focused, reparative emotion that may propel a person into relationship building behaviour that will enhance perceptions of trust (Chen & Ayoko, 2012).

It may be deduced from the preceding discussions that, if alliance partners who differ in their value systems, this may give rise to negative affect with severe implications for trust. The focal organisation that views fairness and fulfilment as prominent values and principles may become apprehensive if it perceives the trustee organisation to be lacking in these values.

The delineation of trust into the affective and cognitive realms together with the grouping of the antecedents of trust under these realms served a heuristic purpose of explaining the symbiosis between emotions and trust. The next section contains a brief reflection on the issues raised in this chapter.

4.3 RETROSPECTION

In their integrated model of organisational trust, Mayer et al. (1995) conceptualised trust as a cognitive process, thus overlooking the role of affect. However, this omission has been addressed (Schoorman, 2007). McAllister's (1995) cognitive and affective trust is not in discord with Mayer et al.'s (1995) notions of organisational trust (Schoorman et al., 2007).

Shifting the focus to the issues of emotions and cognition, Andersen and Kumar (2006) have argued for the reciprocal linkage between affect and cognition. They contended that cognitive states result in affect while affect influences cognitive states. Based on the views of Andersen and Kumar (2006), the reciprocal linkage as theorised is presented in Figure 4.1. However, the crux of this is not emotions per se but the connection between affect and organisational trust. The link between emotions and cognition may help to provide an explanation of the interplay between emotions and organisational trust. While one is hesitant to speculate on the exact nature of the relationship between affect and organisational trust, it may circumspectly be conjectured that it is not linear. For example, cognitive and emotional reactions influence both the cognitive and emotional aspects of trust (Andersen & Kumar, 2006; Sloan & Oliver, 2013).

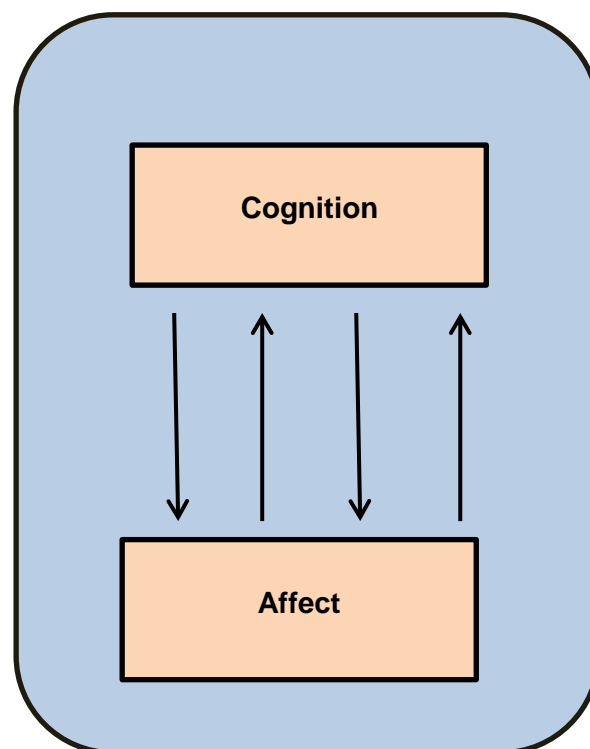


Figure 4.1: Reciprocal linkage of cognition and emotion

On reflecting on the issues presented in this chapter, firstly, one recognises the value in classifying the three antecedents of trust into the cognitive and affective trust realms. However, one also realises the fluidity of the categorisation and, therefore, the permeable boundaries between the two realms as well as between the antecedents of trust or the characteristics of the trustee. However, this modelling of organisational trust should not be taken to be absolute and mechanistic to the extent that it precludes any appreciation of symbiosis between cognitive and affective realms. Figure 4.2 depicts the symbiosis between the permeable boundaries. It is, thus, essential to view this modelling as an expedient way of helping explain an extremely complex human phenomenon.

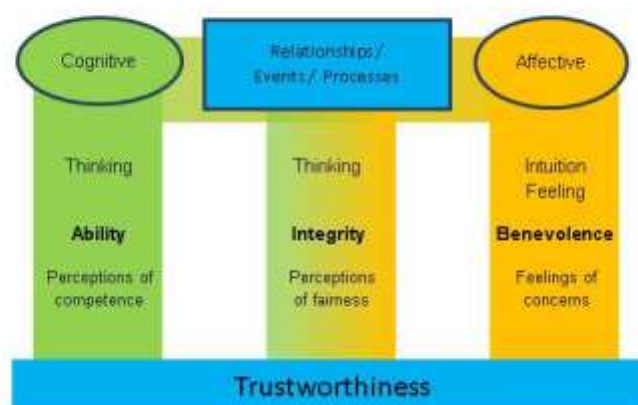


Figure 4.2: Symbiosis between the permeable boundaries

Sloan and Oliver (2013) illustrated the dynamism of the trust-building process as well as the pivotal, but unpredictable, role of affective experiences in this process. In a study by Sloan and Oliver (2013) emotional engagement practices were utilised to increase the members' involvement and participation in the activities of the partnership. Practices such as asking members provocative questions and offering sensitive disclosures resulted in the surfacing of extremely negative emotions but, simultaneously, offered the members the opportunity to provide a thoughtful and considered response that could be used as a gauge for or to demonstrate integrity-based trust (Sloan & Oliver, 2013). The thrust of the practice of asking members provocative questions is to engage members cognitively as they have to painstakingly consider the response they give, despite an emotional situation. In this way members are able to demonstrate integrity-based trust.

The findings of Sloan and Oliver (2013) highlight the ubiquity of emotions. In the main, the very act of asking provocative questions may represent the verbalisation of some underlying emotions. The underlying emotions, for example, signal negative emotions such as anger and else elicit negative emotions such as nervousness, shame or guilt among the recipients of the question or the other participants. However, a thoughtful consideration of the question would require that members engage their cognitive capacities, even in a negative situation. Whereas existing literature associates negative emotions with dysfunctionality, according to Sloan and Oliver (2013), negative affective experiences do not necessarily debilitate the ability to grapple with the issues at hand. Seo and Barrett (2007) maintained that, whether affects are functional or dysfunctional for decision making or whether they are bias-inducer or decision-facilitator, depends on how people experience these feelings and what they do about them when making decisions. In their study that involved multi-stakeholder team centring Sloan and Oliver (2013) successfully addressed issues, including those that involved extremely negative affective experiences as well as positive emotions such as the members becoming or being determined and confident. They found that expressing or articulating negative emotions served a beneficial purpose because it tested the partners' commitment to the partnership as they talked frankly about their negative experiences. This resulted in the significant development of integrity-based trust. The ability of the members of a multi-stakeholder team to speak and interact freely as counterparts fostered positive emotions such as enthusiasm and this, in turn, accelerated not only integrity-based trust but the competence or ability associated with the mandate of the partnership (Sloan & Oliver, 2013).

The review of the existing literature identified emotions as a ubiquitous human phenomenon that has a fundamental influence on organisational behaviour and outcomes (Stanley, 2014). On the basis of this observation it is possible to reflect on the inferior position of emotions in the discipline and practice of Industrial and Organisational Psychology. Industrial and Organisational Psychology's purported centring of the human aspect of the organisation has, over the years, been more of an espoused theory than a theory in use.

This study seeks to investigate the trust experiences of individuals who have participated in alliances between TCs and HDIs. Consequently, the Q sample comprising trust elements was sorted in order to help to scrutinise or assess the participants' experiences of trust of their partner organisations. The trust experiences that were uncovered were explored vis-à-vis the participants' affect as measured by the PANAS (Watson et al., 1988). It was hoped that this exploration would reveal that factor groups with positive trust experiences would be high on PA and low on NA. The PANAS (Watson et al., 1988) was used in an

unconventional way and, essentially, as a heuristic device to facilitate the exploration of the association between organisational trust and affectivity in business alliances between TCs and HDIs. The procedures followed are detailed in chapter 6. It was hoped that this exploration of the interplay between organisational and affectivity would reveal the feelings or emotions that the participants associated with their participation and experiences of trust in the TC and HDI alliances in which they were involved. Consequently, the following three propositions were made:

Proposition 19: The focal TCs or HDIs that perceive their business alliances as characterised by high or strong trust will demonstrate high PA and low NA scores.

Proposition 20: The focal TCs or HDIs that perceive their business alliances as characterised by weak or low trust will demonstrate low PA and high NA scores.

Proposition 21: The focal TCs or HDIs that perceive their business alliances as characterised by mixed trust feelings will demonstrate high PA and high NA scores. However, higher PA score relative to NA score indicates that the pleasant outweigh the unpleasant. Similarly, the higher NA score relative to the PA score indicates that the unpleasant outweigh the pleasant.

The trust elements were derived from the theoretical model proposed in chapter 3 and were regarded as the sub-components of the Q sample. Each of the elements was represented by a number of items which, together, comprised the Q sample. Only the subsequently emerging elements identified in the empirical research were studied in relation to affect as measured by the PANAS (Watson et al., 1988). This meant that the ultimate trust elements that would be examined may have been different from those identified in the theoretical model and depending on what the empirical study revealed. Table 4.5 presents a summary of the aspects that were investigated.

Table 4.5: *Theoretical trust elements and PANAS (Watson et al., 1988) items*

Trust element	Positive Affect	Negative Affect
Social uncertainty and trust	Interested	Distressed
Contextual factors and trust	Excited	Upset
Relational small wins	Strong	Guilty
Trust and contracts	Enthusiastic	Scared
Propensity to trust	Proud	Hostile
Competence/ability	Alert	Irritable
Benevolence/concern/caring	Inspired	Ashamed
Integrity	Determined	Nervous
Openness	Attentive	Jittery
Reliable	Active	Afraid
Trust and economic empowerment		

Hitherto, the theorisation about the relationship between trust elements and affect seemed to allude to implications for Industrial and Organisational Psychology practice regarding the alliances between TCs and HDIs. Both trust and affect have been shown to play a significant role in organisational performance with both possibly having debilitating effects on performance. It is, therefore, crucial that Industrial and Organisational psychologists are aware of the pivotal role of these two constructs in alliances. Perceptions on the part of the focal organisation that a partner organisation has breached or betrayed its trust may elicit undesirable affect or emotions, thus detracting from alliance performance. A focal partner that espouses and holds fairness and honesty in high regard may become apprehensive if its partner is experienced as low in these values, thus resulting in feelings of nervousness. It is, therefore, crucial for those who practice Industrial and Organisational Psychology to identify the trust and affect aspects that may either impede or enhance the organisational performance in alliances. As a discipline and practice concerned with the human aspect of the organisation, industrial and organisational psychologists are ideally positioned both to initiate and implement trust-building processes and to facilitate the development of affective experiences that will impact positively on alliance processes and outputs.

4.4 IMPLICATIONS FOR INDUSTRIAL AND ORGANISATIONAL PSYCHOLOGY PRACTICE

The preceding discussion has several implications for the practice of I-O psychology. The fact that it is a discipline that is concerned with the human aspect of the organisation implies

that it is the business of I-O psychology to understand human behaviour in organisations. Emotions are a pivotal component of the human behaviour in organisations that is the focus of I-O psychologists. In general, emotions in organisational context are viewed as an irritant that should be contained because of the belief that they are dysfunctional and hinder human performance. For this reason, employees are generally discouraged from expressing their emotions, especially negative emotions which are viewed as impediments to human performance. However, the preceding discussion tends to suggest that practitioners may benefit significantly by paying attention to the actual impact of emotions on human performance. Seo and Barrett (2007) revealed that, by encouraging people to express their emotions, managers and practitioners may be able to channel the emotional energies which have been expressed. In addition, the fact that people do not express their feelings and emotions may not mean that they do not have feelings about an issue or that they are experiencing.

It may also be important for I-O psychologists to help managers and others to appreciate and understand that emotions are an integral aspect of human nature. As a result, they should strive to minimise those issues that may trigger the negative emotions associated with unpleasant feelings and maximise those that may precipitate positive feelings. Minimising unpleasant feelings is essential for effective human performance.

Lastly, it may be stated that the practice of I-O psychology is ideally located to help people to understand the value of emotions in organisations. Organisations stand to benefit if employers and employees understand their emotions and those of the people with whom they interact.

4.5 CHAPTER SUMMARY

This chapter elucidated the notion of affect, primarily in organisational settings. Through the review of literature the chapter strived to establish the interplay between organisational trust and affect. To this end, the elements of trustworthiness as propounded by Mayer et al. (1995), were subsumed under McAllister's (1995) categorisation of cognitive and affective trust, and were used heuristically to explicate the association between organisational trust and emotions. The significance of affect, specifically positive and negative affect in organisational settings, was discussed. The chapter revealed that this association becomes complex if one focuses on the emotional reactions that occur in response to a breach of cognitive trust. Similarly, a breakdown in trust, including cognitive trust such as ability-related trust, tends to generate emotional reactions.

The second theoretical aim of the study is restated below:

Research aim 2: To elucidate the interplay between organisational trust and affect.

The evidence that this aim has been achieved lies in the detailed exploration of the literature that elucidated the notion of affect in work and non-work settings and the interplay between organisational trust and affect. Figures 4.1 and 4.2, which depicted, this theorised linkage together with the symbiosis between emotions and trust and the permeable boundaries between cognitive and affective trust realms provide further evidence of the exploration of the relationship between organisational trust and affect.

CHAPTER 5: RESEARCH DESIGN

The preceding chapters, specifically chapters 1 to 4, served as a foundation for this and the next chapter. Chapter 1 discussed the background to and the motivation for the study. The problem statement, the central research questions and the research aims that guided or directed the study were stated while the theoretical, empirical and practical significance of the study was succinctly described. The concept of a paradigm and the interpretive nature of the study were explained as was the research design, including the research methodology used in the study. The subsequent three chapters highlighted the constructs germane to the study, namely, economic empowerment, business alliances, organisational trust and affect. This chapter focuses on the framework that guided the examination of the central research question.

A research design is a significant component of the research process. It may, in fact, be seen as the pivotal framework that guides the resolution of the central research questions in the research process. Thus, the research design may be seen as a strategic framework that serves as a bridge between the central research question or statement of the research problem and the execution of the research (Terre Blanche & Durrheim, 2002). For convenience and practical purposes, the three broad steps of the research design are explained below:

- Research approach
- Research strategy
- Research method

Figure 5.1 presents a diagrammatic representation of the research design used in the study and encapsulates the interpretive and qualitative grounding of the study. As it will become clearer, quantitative techniques such as correlations and factor analysis did not play an important role in the study.

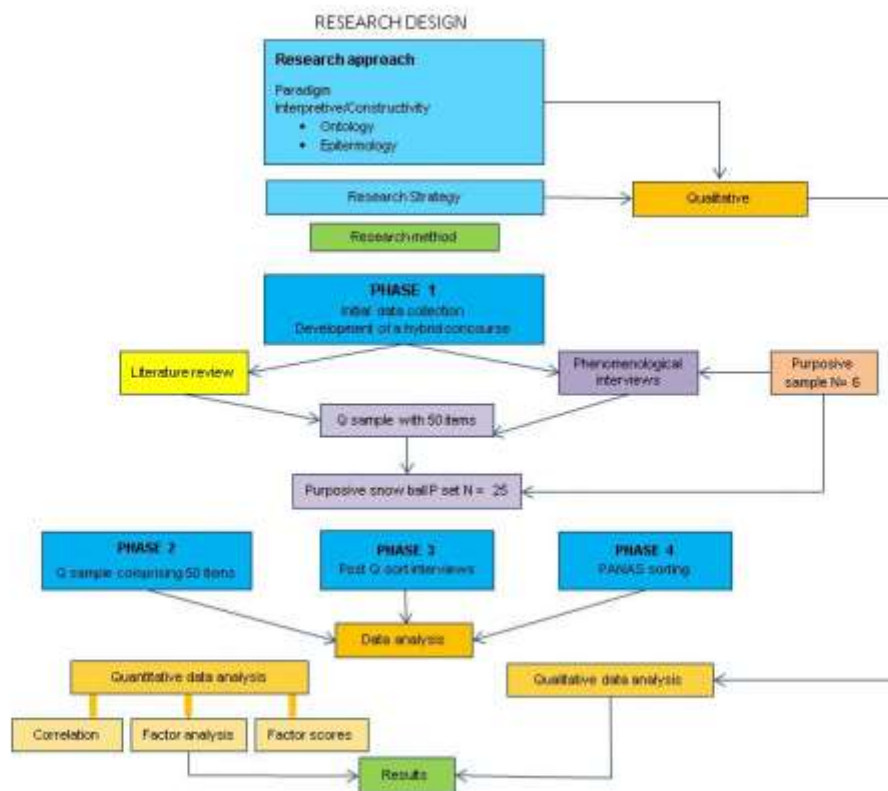


Figure 5.1: Research Design

Firstly, in order to explain the research design, the research approach followed in the study is detailed. More specifically, the meta-theoretical assumptions underlying the study are divulged and elaborated upon. This is followed by a discussion of the research strategy used. This includes explaining Q methodology (Brown, 1980; Watts & Stenner, 2005) and highlighted that it is an interpretive and qualitative methodology that uses quantitative techniques in order to study subjective human phenomena such as business alliances between TCs and HDIs. The chapter then discusses the third step, namely, the research methodology. This discussion included describing the research setting and the data collection procedure followed as well as explaining how the initial phenomenological interviews and the review of the existing literature facilitated the development of the concourse and the ultimate Q sample, the collection of the main data, including the Q sorting by the 50 participants. The post-Q sorting interviews and the administration of the PANAS (Watson et al., 1988) are explained as is their role in facilitating the research process. The recording of the data and also the techniques and procedures used in the data analysis are also explained in this chapter. The strategies employed to ensure quality data and the mode

of reporting the results are detailed and, finally, the potential limitations of the study are explored.

5.1 RESEARCH APPROACH

The research approach represents the first stage of the research design. This study used an interpretive paradigm and followed a constructivist qualitative approach known as Q methodology (Duenckmann, 2010; Goldman, 1999; Matinga et al., 2014). The use of a constructivist qualitative research approach implied that the study had proceeded from the basis that the notion of a transparent objective reality was contradicted by the subjective nature of the explanandum or the participants' experiences in alliances with the explanans being anchored in the researcher's underlying meta-theoretical assumptions which were rooted in the interpretive paradigm (Burrell, 1999; Dale & Burrell, 2014). This stance resonates with the view that all knowledge and experience are infused with interpretive aspects and that all interpretation derives from a perspective or a point of view.

Ontologically, to embrace a constructivist and qualitative approach means to view reality as relativistic and as a product of an individual's mind (Burrell & Morgan, 1979; Davis & Michelle, 2011; Matinga et al., 2014). Reality was deemed to be relative as the participants individually constructed their own subjective operational worlds relating to trust in the alliances between TCs and HDIs when they sorted the cards during the Q sorting process. The affirmation that reality is mentally constructed is to evoke the notion that there are as many realities as there are people to contemplate such realities (Lincoln & Guba, 1985; Stenner, 2009). The main implication of this relativistic view is that reality has multiple meanings. Nevertheless, the researcher guarded against becoming overly intrigued in his constructions of reality to the neglect of those of the participants (Brown, 1980). The research investigated the participants' experiences of trust in alliances between TCs and HDIs in the South African economic empowerment context. The study demonstrated, as it will become clearer in the next chapter on the results, that behaviour is uniquely defined by the subjective meaning attached to it by individual participants (Davis & Michelle, 2011).

For the purposes of the study the pool of items were derived from the elements of trust as identified in chapter 3 and as outlined in table 3.4. Ultimately, the data was derived primarily from a pool of items germane to the issue of trust in alliances between TCs and HDIs and referred to as a Q sample. The participants were requested to sort items under a condition of instruction. Thus, the Q factors of trust experiences that emerged from the study were not the result of built-in definitions by the researcher but products of the Q sorting when the

participants had compared statements in the Q sample with every statement in a rank-ordering procedure (Paige & Morin, 2014). Consistent with the dictates of the constructivist approach (Watts & Stenner, 2005), the phenomenon of interest in the form of Q sorts was first observed and concepts attached only after the observation – see chapter on the results and discussion. Factors were first found and labelled *a posteriori* (Brown, 1980). This approach, therefore, endeavoured to ensure that the experiences of the participants as regards the issue of trust in alliances between TCs and HDIs were articulated. The use of the Q methodology ensured the voices of the participants were heard.

As explained in chapter 1, an epistemological stance refers to the researcher's theory of knowledge which underpins the assumptions that a researcher makes relating to the way in which the social world may be investigated. Epistemology is embodied in the criteria which are either implicitly or explicitly used to appraise what does, and does not, constitute warranted or scientific knowledge (Dale & Burrell, 2014; Johnson & Cassell, 2001; Maier & Meyer, 2011).

Simply stated, the epistemological stance adopted in the study was that the requisite data was contained in the experiences of the individuals involved in business alliances between TCs and HDIs. For this reason, the researcher interacted with the participants in order to gather the requisite data because the data was to be found within the experiences of the participants – epistemologically speaking. Accordingly, the epistemological assumption made in this study was that knowledge is something that is soft and subjective. The previous statement that knowledge is soft and subjective presupposes that such knowledge is based on personal and unique experiences such as those explored in this study (Burrell, 1999; Burrell & Morgan, 1977; Wright, 2013).

Therefore, it was felt that the participants' experiences in alliances could be understood only from their subjective point of view and not from the purported objective, value free and neutral vantage point of the researcher (Welch et al., 2013). According to Burrell and Morgan (1979), it is essential that researchers occupy the participants' frame of reference of the in order to understand their subjectivity. In other words, understanding the participants' experiences happens from the inside rather than from the outside. In fact, in their seminal work, Burrell and Morgan (1979) argued that both external processes such as art work which are relatively tangible and internal processes connected to the human mind are best understood in relation to the minds which created them and the inner experiences which they reflected. Thus, meaning is embedded in the participants' experiences (Tuli, 2010). In line with the tenets of the constructivist and qualitative approach, it is not possible for the

researcher to detach him/herself from the fundamental meta-theoretical assumptions that shape his/her approach to research (Welch et al., 2013).

5.2 RESEARCH STRATEGY

The utility of Q methodology (Brown, 1980; Stephenson, 1993) is reflected in the wide-ranging studies from diverse disciplines that have demonstrated how subjective phenomena may be investigated using quantitative methods (Brown, 2004; Dickinson, Jeffares, Nicholds, & Glasby, 2014; McClelland, 2013; Vizcaíno et al., 2013; Watts & Stenner, 2014; Wright, 2013). In the lexicon of Q-methodology, subjectivity refers to the communication of a person's viewpoint (Coogan & Herrington, 2011; McKeown & Thomas, 1988). As already explained, subjectivity becomes evident whenever people communicate their thinking, thoughts, beliefs, values and opinions about a particular phenomenon of interest. In this instance, the participants' communication of their subjective experiences of trust in alliances between TCs and HDIs formed the nucleus of the study. The participants' affective experiences were also investigated in order to identify the feelings that they associated with their involvement in these alliances.

Q methodology has been explained as a research strategy that combines qualitative and quantitative methods in its scientific approach to the study of human subjectivity. Thus, it may be said to combine the strengths of both the qualitative and the quantitative methods (Vizcaíno *et al.*, 2013). In a seminal work, Goldman (1999) astutely argued that, from an epistemological point of view, Q methodology may be seen to be rupturing the boundary between the study of subjectivity and the scientific framework. By the scientific framework Goldman (1999) was referring to the quantitative methods followed in the natural sciences. However, the interpretive, constructivist and qualitative paradigmatic orientation of this study did not oscillate when correlation, factor analysis and factor rotation were utilised to analyse the data. The results that ultimately emerged from the analysis of the Q-sorting conducted by the participants constituted the authentic, operational definitions of their subjective points of view on trust in alliances between TCs and HDIs and reflected how they experienced this phenomenon. The factors were first found and labelled *a posteriori*. Similarly, the scores obtained from using the PANAS scale (Watson et al., 1988) reflected the individuals' feelings that they associated with their participation in these alliances.

In order elucidate the point made by Goldman (1999), the focal point of this study remained the subjective experiences as expressed by the participants on the issue of trust in alliances between TCs and HDIs. Therefore, the study was never about incontestable objective facts

but was, instead, about the points of view on trust in alliances between TCs and HDIs as expressed by the participants themselves. The boundary between the constructivist qualitative framework and the so-called scientific framework became permeable when the Q methodology invoked the use of quantitative techniques such as correlation and factor analysis in order to study human subjectivity or the points of view expressed by the participants on the issue of trust in alliances (Goldman, 1999).

Brown (1980) maintained that to determine whether a study is either qualitative or quantitative or subjective/objective or interpretive/functionalist on the basis of whether statistics are used will reveal a misplaced emphasis. Similarly, the debate over whether quantitative and qualitative research methodologies are divergent does not revolve around the use of numbers and statistical procedures (Walker & Evers, 1999; Welch et al., 2013). The researcher's paradigmatic stance is the focal point of the study and should help to resolve the issue of whether a study is about qualitative/subjective/constructivist or quantitative/objective/functionalist. The use of numbers in this study accorded with the constructivist, meta-theoretical assumptions (explained in chapter 1) that underpinned the study. Q methodology has been used to illustrate that research may utilise quantitative methods and remain true to the tenets of the interpretive paradigm and the constructivist framework.

5.3 RESEARCH METHOD

Several aspects of the research study are explicated in this section on the research method used in the study. In line with the tenets of qualitative studies, the setting of the study is described and the role of the researcher explained. The sampling procedure and the way in which the ultimate P set (i.e. sample denoting the participants) was selected is explained. The biographical characteristics of the P set are also described. The elaborate data collection and analysis processes are elucidated but first the research setting of the study is described.

5.3.1 Research setting

The study was limited to individuals who had participated in business alliances between TCs and HDIs in the Gauteng Province of South Africa. Gauteng is regarded as the economic powerhouse of South Africa.

A description of the research setting warranted an historical perspective that explained South Africa's economic empowerment trajectory. However, much of this trajectory was discussed in chapter 2 and will not be repeated here. Prior to 1994, South Africa had been a bastion of racial separation and white superiority and domination. Briefly described, the history of the country is one in which Afrikaner economic empowerment was implemented and perfected while the majority of the country's people were confined to the fringes of the national economy (Ihederu, 2004).

In apartheid South Africa, the different race groups were classified into different social strata with whites at the apex, followed by Coloured, Indians and Africans at the bottom (Dillon et al., 2014; Ponte *et al.*, 2007). The apartheid regulatory framework changed in the early 1960s to allow Coloureds and Indians to engage in business activities in urban areas with the proviso that this did not compete with white business (Ponte *et al.*, 2007). However, more stringent restrictions were placed on Africans who could engage in small-scale trade only in daily consumables such as bread and tea (Ihederu, 2004).

In the post 1994 period the vast majority of the population hoped that political freedom would ameliorate the economic hardships. The concept of black economic empowerment emerged in the early 1990s in South Africa (Emuze & Adlam, 2013; Mebratie & Bedi, 2013; Olubode-Owosola & Van Schalkwyk, 2006). The thrust of black economic empowerment was to increase black control of the economy through, inter alia, the ownership of shares in major business corporations.

Numerous challenges regarding black economic empowerment have been widely reported, including TCs using HDIs as fronts and window-dressing, mobile black executives, rent-a-black, "ghost" or "freelance" black directors and managers in a bid to procure or acquire contracts from government and other state-owned enterprises (Beall et al., 2008; Van Scheers, 2010).

The preceding discussion sought to illuminate the research setting of this study so that the unique characteristics to enhance the understanding of the context within which trust in alliances between TCs and HDIs is studied.

5.3.2 Entrée and establishing researcher roles

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The researcher initiated and planned the research project under the guidance of his promotor. The data was collected by the researcher during various phases of the study.

Prior to the data collection the researcher approached and requested individuals who were involved in alliances between TCs and HDIs to participate in the study. Permission to conduct the initial phenomenological interviews, the sorting of the Q sample and the post-Q sort interviews was obtained from the individuals selected. The researcher is a registered psychologist in a position of senior lecturer and is familiar with the ethical principles governing psychologists.

The researcher requested the participants to participate in the study via emails, telephone calls and letters explaining the purpose of the study and the procedures involved and requesting their consent. The letters explained the significance of the study, that it was for a doctoral study and that ethical guidelines would be observed. The first 6 individual participants approached by the researcher were his own connections. He requested them to participate in the first phase of the data collection which comprised phenomenological interviews. In addition to soliciting their participation in the interviews, the researcher made logistical arrangements with them and that included interview dates, times and locations. The role of the first 6 participants was, therefore, to share their experiences of trust in business alliances between TCs and HDIs by means of an interview. The reception of and interaction with the first 6 participants was both warm and cordial. A more in-depth discussion on the implementation of the first phase of the data collection is presented later in this chapter.

The six individuals who participated in the first phase of the data collection were pivotal for the snowballed or expanded number that participated in the second phase of the data collection because they had referred the researcher to other individuals who were willing to participate in the study. As a result, the researcher was able to gain access to a bigger pool of participants, namely, an additional 19 individuals who, ultimately, comprised the sample of 25 participants. The researcher also made logistical arrangements with them and that included interview dates, times and locations. The role of the 25 participants was to sort out the 50 cards that contained items about trust in alliances between TCs and HDIs. Upon completion of the Q sorting process the researcher conducted the post-Q sort individual interviews with the 25 participants in order to gain a more insightful understanding of the rationale behind their sorting of the items. Subsequently, the researcher provided the 25 participants with the PANAS (Watson, 1988) for sorting according to the extent they had felt this way in which they had indicated during the preceding 12 months about the business alliances they either had or had had with their HDI or TC partners. The researcher's experiences of the interaction with the participants are discussed later in this chapter.

5.3.3 Sampling method and P set description

In Q methodology studies, a P set or sample of respondents comprises persons who are theoretically relevant to the issue under investigation rather than persons who are randomly selected (Barker, 2008). A P set may be chosen on the basis of either theoretical or pragmatic considerations (Brown, 1980). Theoretical considerations mean the researcher selects participants because of their special relevance to the goals of the investigation (Van Exel & De Graaf, 2005) while theoretical sampling may employ factorial designs. Comprehensiveness is likely to improve when the choice of participants is on theoretical grounds compared to the participants who may be chosen on the basis of availability.

When choosing a P set, it is not assumed that all the relevant population variables are included. It is also not assumed that the selection of respondents exhaust all possibilities of the underpinning theory from which they are drawn (McKeown & Thomas, 1988). Based on McKeown and Thomas, (1998), the following two fundamental tenets of Q methodology may be formulated:

- Firstly, Q methodology – The quantitative approach to the study of subjective phenomena, like all interpretive research, does not claim that its P set is representative of the larger population. It is, however, important to ensure a broad and comprehensive group of participants so that a wider set of viewpoints may be expressed than may otherwise have been the case. In line with one of the entrenched maxims, it is simultaneously argued that participants may not always divide obviously in terms of certain demographic characteristics. Under such conditions, Watts and Stenner (2005) recommended that assumptions *a priori* should be avoided especially if these assumptions are based on preconceived demographic notions.
- Secondly, as already explained, Q methodology is biased toward small P sets because of its intensive orientation (McKeown & Thomas, 1988). However, the issue of the small P set has implications for the generalisability of the results. In Q methodology generalisation is not concerned with the numerical distribution of the study participants among factors and, instead, the focus is on the opinion clusters derived from the present participants (Yeun, Bang, Ryoo, & Ha, 2014). Thus, the focus is not on the number of people who hold a particular point of view but on how and why people believe as they do (McKeown, 1990; Stergiou & Airey, 2010; Wright, 2013). As Brown (1980, p. 67) stated, generalisations in Q methodology are best thought of “in terms of *specimen* and *type* – i.e., we are prepared to say what it is that is of concern to

specimen persons of the A type, the factor being a generalised abstraction (based on communalities) of a particular outlook or value orientation". Similarly, the small P set in this study precludes the generalisability of the results to the broader population. Instead, this study sought to develop a model that would provide a more insightful understanding into and interpretation of trust in a sample of participants from business alliances between TCs and HDIs rather than to generalise the study results to a population (Zhang, Lingard, Blismas, Wakefield, & Kleiner, 2013).

Based on the principles explicated above, this study used non-probability and non-random snowball sampling to select the participants. Snowball sampling is a type of purposive sampling whereby the existing participants recruit from among their acquaintances others for possible inclusion in the study (Guest et al., 2006). In purposive sampling only participants who satisfy the criteria relevant to the research objective are selected for participation. For the purposes of this study the more specific inclusion and exclusion criteria for selecting the research participants included the following:

Inclusion criteria

Black males and females who own HDIs

White males and females who own TCs

Black males and females who have been in alliances between HDIs and TCs for a period of 12 months or more

White males and females who have been in alliances between HDIs and TCs for a period of 12 months or more

Exclusion criteria

Black males and females with less than 12 months experience in alliances between HDIs and TCs

White males and females with less than 12 months experience in alliances between HDIs and TCs

The use of purposive sampling implies that the researcher did not have either a quota or a pre-determined list of individuals from which to select the participants in a study (Teddle & Yu, 2007) and neither did the researcher have to choose any nearest or available individual to participate in the study. The researcher uses his/her own judgement and research skill to choose only participants who are able to provide useful information because they met the criteria for inclusion.

The fundamental reason for selecting individuals from the two racial groups lay in the fact that the study was focusing on business alliances formed between the two groups. As already explained, TC refers to a traditional company which, historically, was owned by whites or individuals of European descent while HDI refers to a business organisation owned by previously disadvantaged individuals. The lack of representation of so-called Indian and Coloured participants was accidental and largely the result of the snowballing nature of the sampling used. In addition, the gender as well as racial composition and representation were the result of the sampling design as well as the researcher's inability to find females and whites who were willing to participate in the study.

The P set used may be described in terms of the following socio-demographic variables, namely, age, gender, race, education, field of education, industry, years of experience in alliances, duration of the present alliance and satisfaction with the present alliance. The participants' biographical variables are described below to provide an impression of the individuals who participated in the study.

5.3.3.1 Composition of age groups in the P set

As illustrated in table 5.1 and figure 5.2 the P set comprised three age group categories. Both the table and the figure reveal that the participants aged 31 - 45 comprised 40% of the P set, those aged 46-60 52% and those aged 61+ comprised 8% (N = 25).

Table 5.1: *P set distribution by age*

	Frequency	Percent	Valid Percent	Cumulative Percent
31 – 45	10	40.0	40.0	40.0
46 – 60	13	52.0	52.0	92.0
61+	2	8.0	8.0	100.0
Total	25	100.0	100.0	

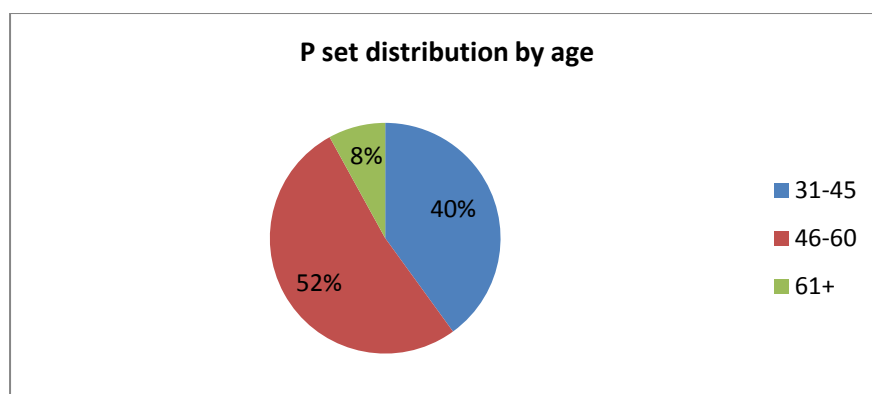


Figure 5.2: P set distribution by age

5.3.3.2 Composition of gender in the P set

Table 5.2 and figure 5.3 present the gender distribution of the P set. Males and females comprised 76% and 24% of the P set (N = 25) respectively.

Table 5.2: *P set distribution by gender*

	Frequency	Percent	Valid Percent	Cumulative Percent
Male	19	76.0	76.0	76.0
Female	6	24.0	24.0	100.0
Total	25	100.0	100.0	

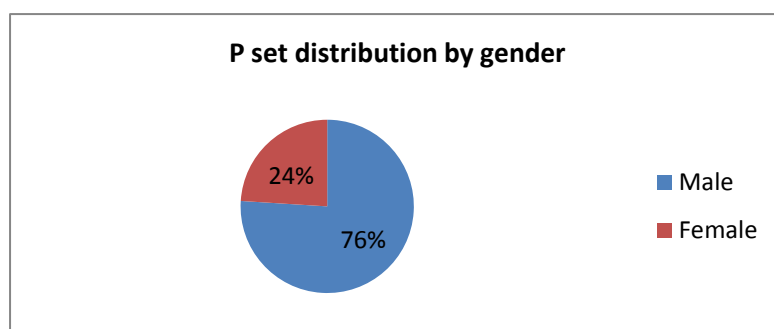


Figure 5.3: P set distribution by gender

5.3.3.3 Composition of race groups in the P set

Table 5.3 and figure 5.4 illustrate the composition of the P set by race. The P set comprised 72% and 28% blacks and whites respectively.

Table 5.3: *P set distribution by race*

	Frequency	Percent	Valid Percent	Cumulative Percent
Black	18	72.0	72.0	72.0
White	7	28.0	28.0	100.0
Total	25	100.0	100.0	

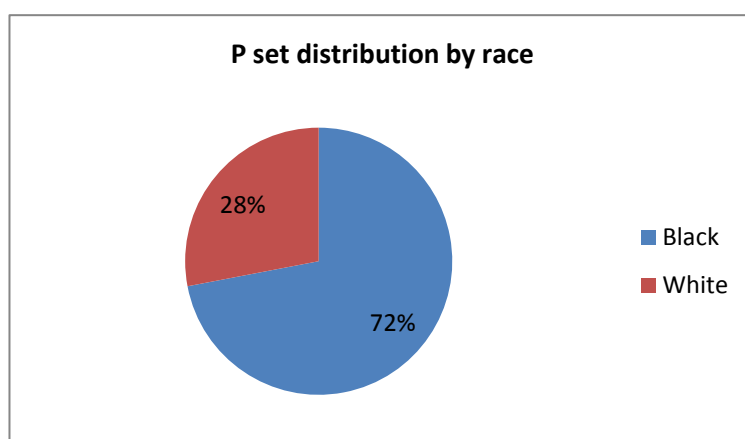


Figure 5.4: P set distribution by race

5.3.3.4 Composition of level of education in the P set

As illustrated in table 5.4 and figure 5.5, of the total P set (N = 25), 4% had matriculation as the highest qualification, 44% had a post-matriculation qualification and 52% had a post-graduate qualification.

Table 5.4: *P set distribution by level of education*

	Frequency	Percent	Valid Percent	Cumulative Percent
Matriculation	1	4.0	4.0	4.0
Post-matriculation	11	44.0	44.0	48.0
Post-graduate	13	52.0	52.0	100.0
Total	25	100.0	100.0	

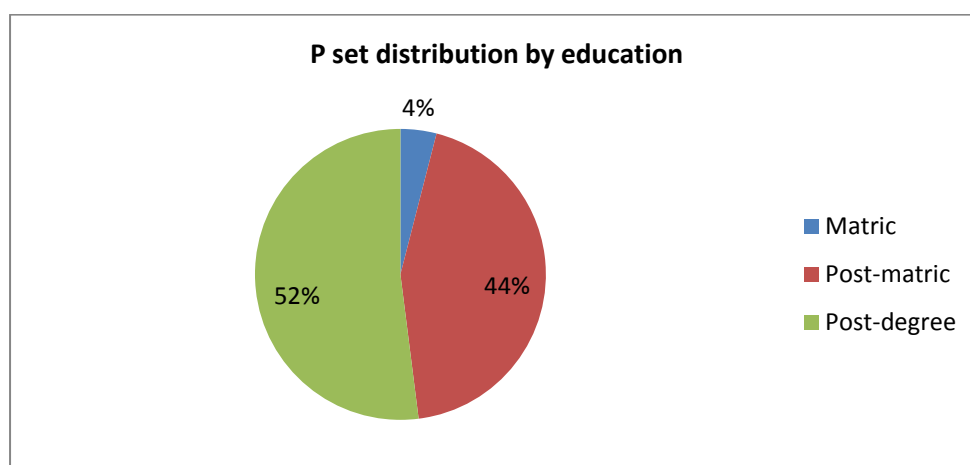


Figure 5.5: *P set distribution by level of education*

5.3.3.5 Composition of *P set* by industry

Table 5.5 and figure 5.6 illustrate the composition of the *P set* by industry — management consulting comprised 32%, construction 44%, manufacturing 4% and engineering consulting 20% of the *P set* (N = 25).

Table 5.5: *P set distribution by industry*

	Frequency	Percent	Valid Percent	Cumulative Percent
Management consulting	8	32.0	32.0	32.0
Construction	11	44.0	44.0	76.0
Manufacturing	1	4.0	4.0	80.0
Engineering consulting	5	20.0	20.0	100.0
Total	25	100.0	100.0	

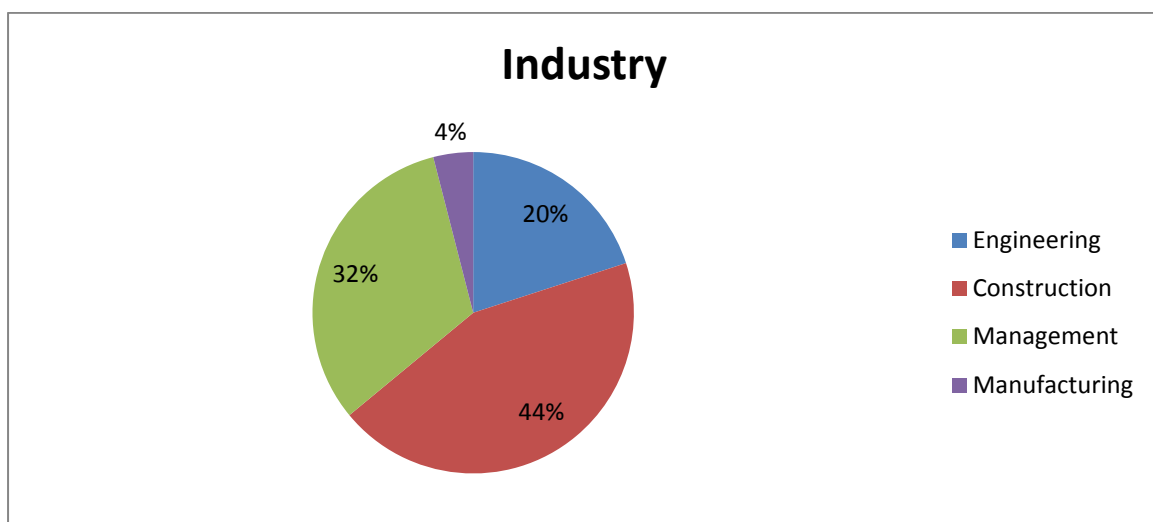


Figure 5.6: *P set distribution by industry*

5.3.3.6 Composition of years of experience in alliances in the P set

Table 5.6 and figure 5.7 illustrate the categories of the participants' years of experience in alliances. The table and the figure revealed that, of the P set ($N = 25$), 32% had 1 – 3 years' experience, 12% had 4 – 6 years' experience and 56% had 7+ years of experience in alliances.

Table 5.6: *P set distribution by years of experience in alliances*

	Frequency	Percent	Valid Percent	Cumulative Percent
1-3	8	32.0	32.0	32.0
4-6	3	12.0	12.0	44.0
7+	14	56.0	56.0	100.0
Total	25	100.0	100.0	

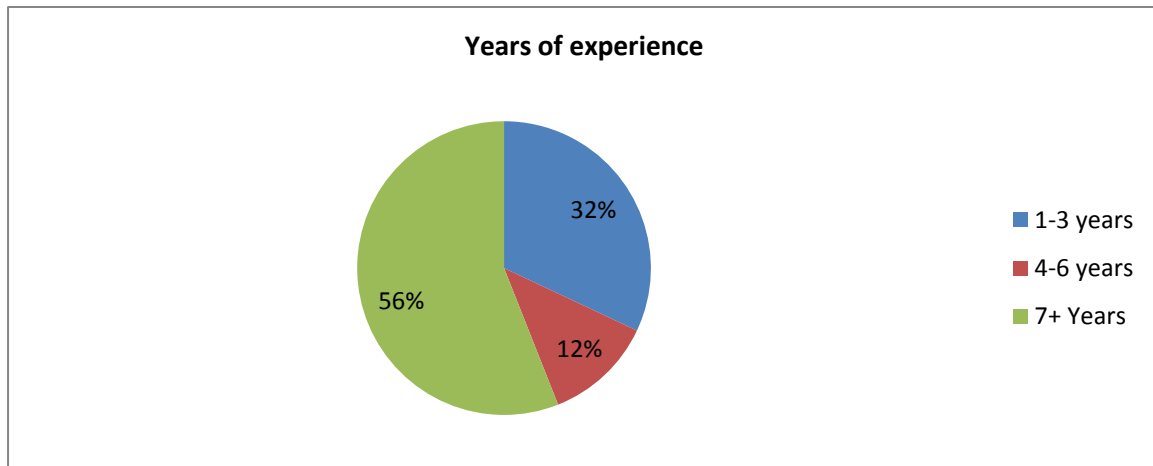


Figure 5.7: *P set distribution by years of experience in alliances*

5.3.3.7 Composition of the duration of the present alliance in the P set

Table 5.7 and figure 5.8 illustrate the duration of the present alliance. The duration of the present alliance was measured in three categories. Of the total P set (N = 25), 64% had been in the present alliance for 1 – 3 years, 12% for 4 – 6 years and 24% for 7+ years.

Table 5.7: *Duration of the present alliance*

	Frequency	Percent	Valid Percent	Cumulative Percent
1-3 years	16	64.0	64.0	64.0
4-6 years	3	12.0	12.0	76.0
7+ years	6	24.0	24.0	100.0
Total	25	100.0	100.0	

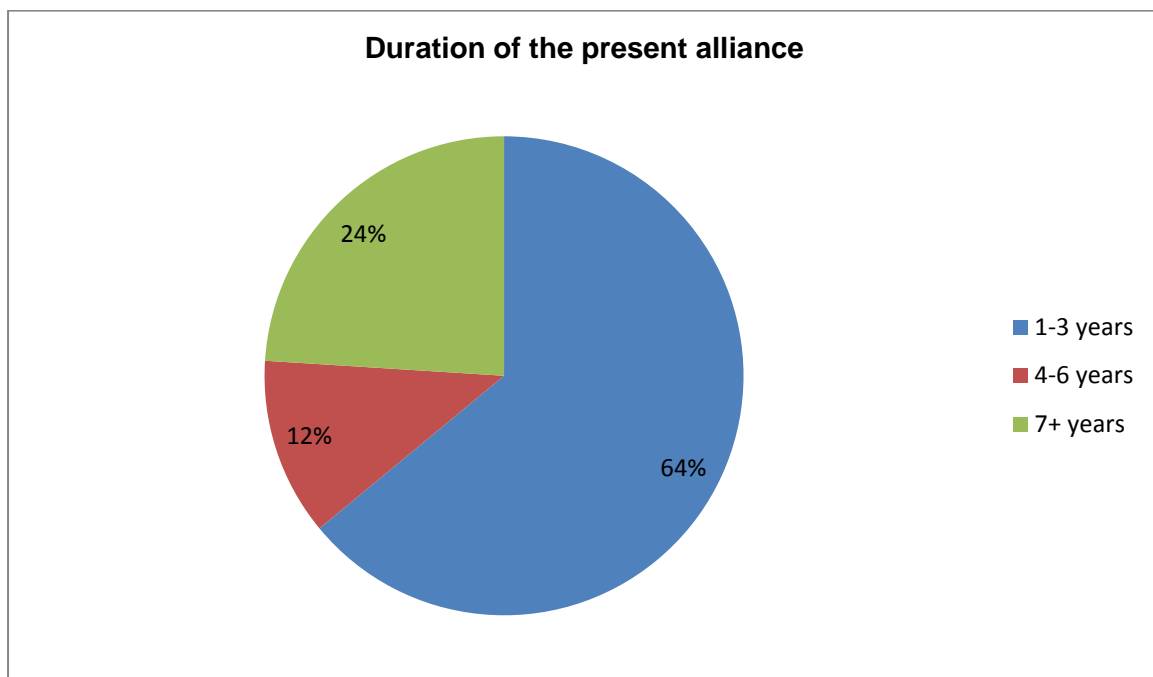


Figure 5.8: P set distribution by duration of the present alliance

5.3.3.8 Composition of overall satisfaction with the present alliance

Table 5.8 and figure 5.9 illustrate the participants' satisfaction with the present alliance. The satisfaction with the present alliance was measured in five categories. Of the total P set (N = 25), 8% was extremely dissatisfied, 16% moderately dissatisfied, 24% satisfied, 40% more than satisfied and 12% extremely satisfied.

Table 5.8: Overall satisfaction with the alliance

	Frequency	Percent	Valid Percent	Cumulative Percent
Extremely dissatisfied	2	8.0	8.0	8.0
Moderately dissatisfied	4	16.0	24.0	32.0
Satisfied	6	24.0	16.0	48.0
More than satisfied	10	40.0	40.0	88.0
Extremely satisfied	3	12.0	12.0	100.0
Total	25	100.0	100.0	

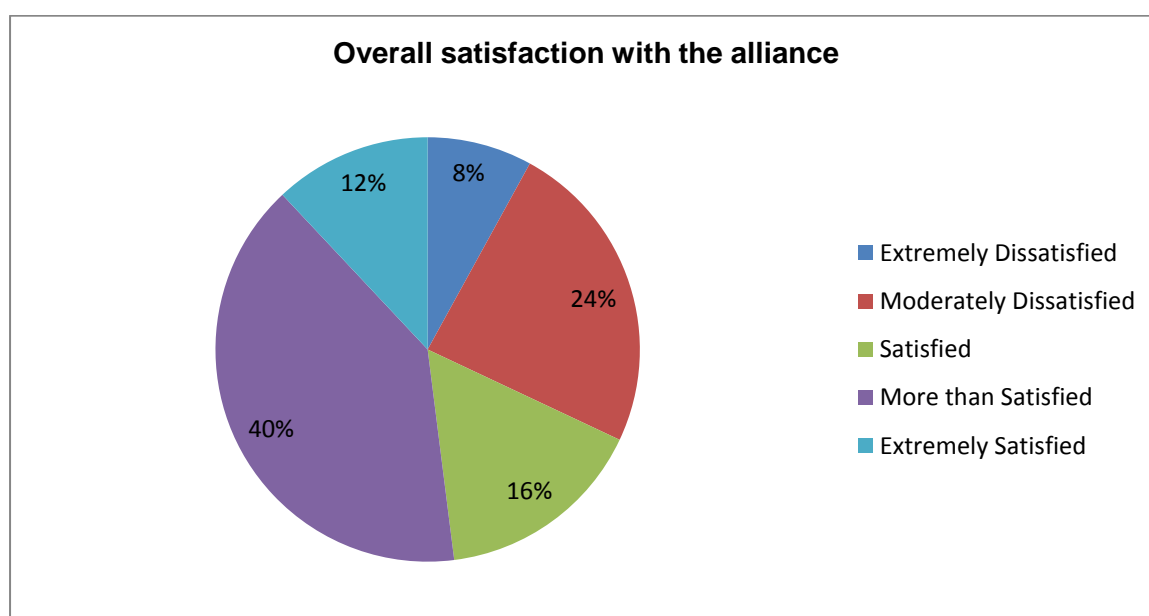


Figure 5.9: P set distribution by overall satisfaction with the alliance

In short, it may be stated that the P set comprised predominantly males who accounted for 76% of the participants. Seventy-two per cent of the participants were black. The formal educational qualification revealed that the P set comprised relatively well-educated participants with 44% that they had a post-matriculation qualification and 52% reporting post-degree qualifications. Fifty per cent of the P set reported extensive experience in alliances with 56% reporting 7+ years.

5.3.4 Data collection methods

Broadly speaking, the data collection stage comprised four phases.

Phase 1: During this phase data were collected from two sources. Firstly, the existing literature on organisational trust was reviewed to identify the areas that the concourse should include. As evidenced by the discussion in chapter 3 a comprehensive review of related literature was undertaken. Secondly, phenomenological interviews were conducted with a small, purposively selected 6 participants in order to incorporate in the study a general discourse on the topic (Armatas, Venn, & Watson, 2014). **Appendix A** contains the phenomenological interview and includes the opening statement which was read out to the interviewees. The content of and rationale for using a phenomenological interview are discussed below. The objective of the interviews was to hear the voices of individuals involved in alliances so that the general discourse on or the experiences of those in the field of alliances were not disregarded. Information from both the literature review and the phenomenological interviews was used to develop a hybrid concourse (Armatas et al., 2014; Brown, 1980). The process of developing the concourse is elucidated later in the chapter in the section on the data collection.

Phase 2: During this phase the data collection involved the participants sorting out the Q sample under instruction. The condition of instruction under which the Q sorting was undertaken required the participants to rank the 50 cards provided according to how strongly they agreed or strongly disagreed with each of the statements on the cards. The Q sort instructions are contained in **Appendix B**. In sorting out the cards according to the condition of instruction, the participants were not required to answer the research question as indicated in the predetermined framework (Watts & Stenner, 2014).

In terms of Q methodology, once the participants have expressed themselves in Q sorts, the theory underpinning the theoretical study may disappear, and a new theory emerges (Brown, 1980). Of central importance is what the participants expressed (Armatas et al., 2014; Watts & Stenner, 2014). The Q sorting and data analysis processes are elaborated upon later in this chapter. Once the factors had been found, then the researcher used theory to interpret them. It is, however, important to note that the factors emerged naturally and were not forced or constrained by theory to appear. Theory only partly guided the development of the concourse and how the Q set was structured. In addition, theory did not influence the way in which the individuals reacted to the initial phenomenological interview question and how they sorted the statements (Brown, 1980; Stenner & Watts, 2005; Stergiou et al., 2010). Chapter

6 expounds on the results of the study as regards identifying the respondents' thinking on the issue of alliances between TCs and HDIs.

Phase 3: During this phase qualitative data was collected through follow-up or post-Q sort interviews. The participants were asked to explain the sorting of the items at the extremes of the distribution marker. In other words, the post-Q sort interviews were conducted in order to give the participants an opportunity to expound on their reasoning for their ranking of statements. In addition, the interviews provided the interviewer with an opportunity to clarify points which had been obscure to him such as the logic behind the item arrangement. These interviews further enhanced and deepened the researcher's understanding of the participants' thoughts about the issue and enabled the researcher to test the veracity of the item arrangement.

Phase 4: During this stage the participants completed the PANAS developed by Watson et al. (1988). As explained in chapter 4, in the PANAS scales (Watson et al., 1988), the PA generates 10 descriptions, namely, attentive, interested, alert, excited, enthusiastic, inspired, proud, determined, strong and active while the NA generates 10 descriptions, namely, distressed, upset, hostile, irritable, scared, afraid, shamed, guilty, nervous and jittery. The NA is not viewed as unidimensional and, hence, the 10-item scale comprises two sub-scales with four items in the one scale referred to as NA-anxiety and the second scale comprising six items entitled NA-anger (Watson et al., 1999).

The assertion that the PANAS is a two-factor model was supported by the low correlation between the PA and NA scales which ranged from -0.12 to -0.23., thus revealing that the two scales shared 1 to 5% of their variance among a sample of college students, thus showing quasi-independence (Watson et al., 1988). Low PA scores signify sadness and lethargy while high PA scores denote high energy, full concentration and pleasurable engagement (Watson et al., 1988). On the other hand, low NA scores suggest a state of calmness and serenity while high NA scores signify subjective distress and unpleasurable engagement (Watson et al., 1988). Research on the PANAS (Watson et al., 1988) has also supported the construct validity of the instrument (Crawford & Henry, 2004; Galinha et al., 2013; Wichers et al., 2012). In a sample of adult participants the alpha reliabilities of the PANAS PA and NA scales were reported as 0.86 and 0.87 respectively with the inter-scale correlation of -0.09 (Galinha et al., 2013). The argument that the two scales, namely, PA and NA, measure two independent traits imply that a person may be high on both, low on both or high on one and low on the other (Jain et al., 2012).

The PANAS (Watson et al., 1988) was included in this research study to enable the researcher to explore the association between the participants' trust experiences and the resulting affect or emotions. However, the PANAS (Watson et al., 1988) was used in an unconventional sense in terms of the exploration of the association between trust experiences and affect. The participants' results from the PANAS were used heuristically to facilitate the exploration of the association between organisational trust and affectivity in business alliances between TCs and HDIs. Firstly, the experiences of the six factor groups were treated as six different sets of positive or negative trust experiences. Secondly, the participants were classified according to both the six factor groups and their performance on the PANAS (Watson et al., 1988) is grouped accordingly. The manner in which the association between the participants' trust experiences and performance on the PANAS (Watson et al., 1988) was examined is discussed further later in this chapter.

As already stated and a result of the design of the study, the data collection process comprised several phases that included the review of literature on organisational trust and phenomenological interviews being conducted to enable the development of the concourse and, subsequently, the Q sample, the Q sorting of the items by the participants, the post-Q sorting interviews and the completion of PANAS (Watson et al., 1988) by the respondents.

5.3.4.1 Phenomenological interviews and literature review

During the initial phase of the study data was collected with the purposes of developing a concourse. This required the use of phenomenological interviews with the initial 6 of the 25 participants. Phenomenological interviews afforded the researcher an opportunity to explore how people such as those who own TCs and HDIs experienced a phenomenon such as trust in the business alliances between them. It was only through a painstaking approach that sought to explore a relatively uncharted area of study in-depth and the unstructured interviews that the researcher was able to capture and comprehend how TCs and HDIs perceive, feel and experience trust in their alliances and how they make sense of it. In the lexicon of phenomenological enquiry, it is not possible to study human beings in isolation from their lived experience (Englander, 2012). By focusing on the subjective, lived experience of those who participated in alliances between TCs and HDIs from their perspective, the researcher was striving to understand the experiences and meaning that they assigned to their experiences in these alliances.

The researcher conducted phenomenological interviews that lasted between 30 minutes and 1 hour each and which were audio-recorded with the consent of the interviewees. The same

phenomenological interview guide was used for all the participants. The researcher read out to the participants the opening statement contained in the interview guide before posing the central research question to them. On a few occasions some of the participants requested a copy of the opening statement so that they could read it together with the researcher. The guide to the phenomenological interview is presented as **Appendix A**.

As is conventional with phenomenological inquiries, the opening statement provided the researcher with the only opportunity for the imposition of structure (Englander, 2012; Groenewald, 2004). The essence of the opening statement was to inform the participants at the beginning of the interview that the focus of the study was on their opinions on trust in business alliances between TCs and HDIs. From the beginning of the study the researcher's focus could, therefore, be defined as the need to understand the phenomenon of trust in business alliances between TCs and HDIs and from the lived experience or lived-world of the participants (Cope, 2005; Englander, 2012).

The opening statement was followed by the central question being posed to each interviewee. The statement was restated as follows: "The context of this research is the economic empowerment of the previously disadvantaged segments of the South African society such as black people, women and people with disabilities. In this context, business alliances are viewed as a vehicle for the economic empowerment of the previously disadvantaged people through their business organisations or historically disadvantaged institutions (HDIs). In the context of this study, business alliances are independently established, inter-organisational linkages between a black-owned organisation(s) or historically disadvantaged institution (HDI) and a white-owned organisation(s) or traditional company(ies) (TC) and include the sharing of resources to render a service or manufacturing or co-development of products such as in joint ventures and other partnerships and alliances. The focus of the study is on the issue of trust in alliances formed between HDIs and TCs. The primary purpose of this interview is to solicit your views or opinions on the topic. It is hoped that your participation will facilitate a better understanding of trust in these institutions." The central research question read as follows: "How do you view the issue or question of trust in business alliances consisting of traditional companies (TCs), which are formerly white-owned companies, and historically disadvantaged institutions (HDIs) which are traditionally black-owned businesses in South Africa?"

Apart from the central research question as stated above, the phenomenological interviews conducted were not pre-structured. Thus, the dialogue flowing from the central research question and not a predetermined list of follow-up questions formed the basis of the

subsequent questions that the researcher posed to the participants. This means that, besides the central research question, the researcher did not have *a priori* questions on the issue of trust in alliances between HDIs and TCs (Cilesiz, 2011; Englander, 2012).

The assertion that the researcher did not have *a priori* questions is to imply the researcher suspending what he had read, known and written about the topic. In other words, the researcher invoked the principle of bracketing pre-conceived notions or theorising about trust in alliances (Cope, 2005). Suspending or bracketing is a critical tenet in phenomenological inquiry and it dictated that the researcher had to suspend *a priori* theoretical propositions so that the phenomenon of trust in alliances in an empowerment domain could be described from the experiences of the participants (Cilesiz, 2011; Groenewald, 2004).

In phenomenological studies, as in this Q-methodological study, theoretical propositions usually emerge from the descriptions given by the participants because phenomenological researchers are interested in a description of the subjectivity of the other person (Cope, 2005; Englander, 2012). However, in this case, the data derived from the interviews was for the purpose of developing a concourse and, ultimately, a Q set. In some respects the participants' articulations of their own experiences provided unique information rooted in the South African milieu and that one would never have anticipated if the information used for the development of the concourse had been limited to the existing literature.

The advantages of conducting in-depth interviews included the fact that the researcher had an opportunity to probe, to follow up and to develop insight into issues that had not been anticipated (Englander, 2012). In common with most open-ended interviews, this approach is effective when the interviewer has sufficient knowledge about the phenomenon under investigation but not enough either to know or to anticipate the answers (Richards & Morse, 2007). However, the disadvantages of this type of interview include the fact that it may be both time-consuming and expensive (Chesebro & Borisoff, 2007; Richards & Morse, 2007). The phenomenological interview is also viewed as being susceptible to a take-over or appropriation by the interviewees. In this initial interview the participants gave their consent to participating in the study and to the audio recording of the interviews. Two participants only preferred that the interview not be audio-recorded. All 6 of the interviews were conducted at locations convenient for the participants. In the main, the decision on the completion of all the interviews or the termination of the interview at any juncture is determined by the saturation of the data when additional interviews would not yield either new or substantial insights into the phenomena under investigation (Guest et al., 2006). In this study it became clear from the fifth interview that additional interviews would not reveal

any significant or different insights. However, the last two participants were interviewed because the arrangements had already been made. In addition, the researcher was striving to preserve the rapport that had been created as the same participants would be needed to complete the Q sorting process later in the study.

As part of the first phase of data collection, the existing literature on the research topic was reviewed. It became clear from this review on literature on organisational trust, that the vast amount research on organisational trust did not constitute a homogenous corpus of knowledge. In line with the tenets of Q-methodology, it may, thus, be concluded that the literature reviewed, as the interview data, provided several perspectives on the phenomenon of trust in alliances between TCs and HDIs from the perspectives of the participants.

In order to give substance to the way in which the data was collected during this stage of the process, the next section will contain an explication of the concept of a concourse and its application.

5.3.4.2 Development of a concourse

In the context of this study a concourse may be described as what was being said about the phenomenon of trust in alliances between TCs and HDIs. A concourse is similar to what is referred to in most quantitative research methodology as a population of stimulus or a universe of tasks or items (Armatas et al., 2014; Watts & Stenner, 2014). A universe of tasks includes all the possible statements from which a sample of tasks is drawn to develop a Q sample which is then administered to the research participants. However, the statements that comprise a concourse exclude statements of fact such as the sun rises in the east. Concourses are structured in feelings and not facts (Goldman, 1999; Paige & Morin, 2014).

A concourse may be obtained in several ways (Brown, 1980; Davis & Michelle, 2011; Yeun et al., 2014). A concourse may comprise statements derived from discourses on everyday life. Brown (1993) explained that concourses are manifestations of human life as expressed by people of a particular culture. A concourse may be obtained by interviewing people who are knowledgeable about the issue at hand, from stories and commentaries in newspapers, government policies and government ministers or senior officials' speeches on the issue or topic in question (McKeown & Thomas, 1988; Coogan, & Herrington, 2011). For the purposes of this study the concourse was partly obtained by interviewing individuals who participated in business alliances between HDIs and TCs. It is important to note that the

level of discourse determines the sophistication of the concourse. A concourse is not restricted to words but may include pictures and art work (Zhang, *et al.*, 2013).

In this study a concourse comprising items derived from both the existing literature on organisational trust and the phenomenological interviews which had been conducted with the participants was developed. This resulted in a hybrid concourse. From the literature reviewed and the interview data, the researcher identified areas of focus and derived items from these areas. The integrated model of organisational trust developed by Mayer *et al.* (1995) played an extremely important role in the development of the concourse although the work of McAllister (1995), Mishra (1996), McCarter *et al.* (2011) and McKnight and Chervanny (2002) were also influential in the development of the concourse. Although most of the items were derived or conceptualised from these studies, they were by no means the only sources of the concourse.

In developing the concourse the researcher identified several categories within which items could be grouped. To a large extent the categories emulated the theoretical model presented in chapter 3. As shown in tables 5.9 to 5.15, these elements included social uncertainty, contextual factors, relational small wins, trust and contract, propensity to trust, competence or ability trust, benevolence or concern, integrity, openness, reliability and trust and economic empowerment.

The hybrid concourse developed comprised focus areas referred to as elements and derived from the literature and the phenomenological interviews with the participants. The focal areas or elements are discussed below.

The items relating to **social uncertainty** were derived primarily from the research conducted by McCarter *et al.* (2011). McCarter *et al.* (2011) explained social uncertainty as lack of information about one's partnering organisation. Such a lack of information may impede cooperation between the partners as the focal organisation may feel that it cannot trust its partner organisation to work for the interests of the alliance.

Table 5.9: *Social uncertainty*

Element	Items
Social Uncertainty (McCarter et al., 2011) Social uncertainty refers to a lack of information about one's partnering organisation and may impede co-operation between the partners as the focal organisation may feel that it cannot trust the trustee to work for the interests of the alliance	1. I feel that I have sufficient information about my partner organisation 12 I feel that the interaction with my partner organisation over time has made me positive about its future behaviour 23 I feel that I act in a manner that safeguards the interests of my organisation but at the expense of the alliance 34 I feel that my alliance partner cooperates with my organisation on business matters pertaining to the alliance

The significance of **contextual factors** was highlighted by Schoorman et al. (2007). The **contextual and situational factors** are embedded in the setting and may affect trust indirectly by influencing the relationship between social uncertainty and perceptions of trustworthiness. As may be inferred when the propensity to trust is explained these factors may also affect propensity to trust. Culture, socio-economic factors, politics and government policies are prime examples of such factors in the South African setting. The items relating to contextual factors were also derived from the **phenomenological** interviews conducted in phase 1 of the data collection and were significantly influenced by Schoorman et al. (2007) and McCarter et al. (2011). Table 5.10 presents the element of contextual factors and cites its items.

Table 5.10: *Contextual factors*

Element	Items
Contextual factors: (Schoorman et al., 2007). Contextual factors are embedded in the setting and may affect trust indirectly by influencing the relationship between social uncertainty and perceptions of trustworthiness. These factors also affect propensity to trust. Culture, socio-economic factors, politics and government policies are prime examples of contextual factors in the South African setting	2 I feel that I am able to trust a business partner from the same racial background 13 I feel that I am able to trust a business partner from a different racial background 24 I feel that the government's policy of black economic empowerment compels black and white businesses to form alliances 35 The lack of social interaction between black and white people over the years has affected my level of trust in my business partner

Items relating to **relational small wins** were also derived from McCarter et al. (2011). Relational small wins refer to a situation in which the partners commit to accomplishing smaller projects in order to ensure both the viability and the trustworthiness of the alliance. The achievement of small wins reduces social uncertainty as it increases both the viability of the investment and the trustworthiness of the partner organisation.

Table 5.11: *Relational small wins*

Element	Items
<p>Relational small wins: (McCarter et al., 2011; Weick, 1984).</p> <p>Relational small wins refer to a situation in which the focal organisation commits to accomplishing smaller projects in order to ensure both the viability and the trustworthiness of the trustee organisation. The achievement of small wins reduces social uncertainty as it increases both the viability of the investment and the trustworthiness of the partner organisation</p>	<p>3 I feel that, after the initial small investment in the alliance, my uncertainty about the future behaviour of my partner organisation was reduced following the positive business performance of the alliance.</p> <p>14 I feel that the positive business performance of the alliance enhanced the level of trust in my partner organisation.</p> <p>25 I feel that the alliance achievements we experienced encouraged me to make a larger investment in the alliance.</p> <p>36 I feel that beginning with smaller projects and experiencing the positive outcomes of these projects increased my perceptions of my partner organisation's trustworthiness</p>

The primary source for items relating to the issue of **trust and contracts** was Ertug et al. (2013). Contracts and other formal mechanisms are designed to establish and monitor the functioning of the alliance. Contracts may, thus, be used to regulate the relationship and to ensure that the goals of the alliances are the focal point of these relationships. However, excessive reliance on contracts has been criticised.

Table 5.12: *Trust and contracts*

Element	Items
Trust and contracts: (Ertug et al., 2013) Trust and contracts are formal mechanisms used to establish, regulate and monitor the alliance relationship.	<p>1 I feel that I rely on the written contract to ensure that my partner organisation performs its duties and responsibilities honestly.</p> <p>2 I feel that trust is the foundation of the relationship with my partner organisation.</p> <p>3 A formal written contract is important, given the potential for the risk of opportunism on the part of my partner organisation.</p> <p>4 I feel that the formal contract is the foundation of the alliance relationship with my partner organisation.</p>

Other items related to **propensity to trust**. Propensity to trust refers to the dispositional component of trust that is relatively stable and influences the likelihood that the trustor will trust others, regardless of the situation. Propensity to trust develops through past social experiences as one's predisposition to trust others evolves. It also explains why people differ in their inclination to trust others. The primary sources for the items relating to this element include Mayer et al. (1995), Bianchi & Brockner (2012), Ashleigh & Higgs (2012) and McKnight and Chervany (2002).

Table 5.13: *Propensity to trust*

Element	Items
<p>Propensity to trust: (Mayer et al., 1995; Bianchi & Brockner, 2012; Ashleigh & Higgs, 2012; McKnight & Chervany, 2002). Propensity to trust refers to the dispositional component of trust that is relatively stable and influences the likelihood that the trustor will trust others, regardless of the situation. It develops through past social experiences as one's predisposition to trust others evolves. It also explains why people differ in their inclination to trust others.</p>	<p>5 I feel that my tendency to trust others is high</p> <p>16 I feel that I trust people until they give me a reason not to trust them</p> <p>27 I feel that others may be counted on to do what they promised to do</p> <p>38 I feel that I generally give people the benefit of the doubt when I first meet them</p>

Trustworthiness was measured using the antecedents of trust as identified by Mayer et al. (1995) and in line with Mishra's (1996) dimensions of trust. In other words, these items significantly reflected the work of these researchers.

Table 5.14: *Trustworthiness elements*

Element	Items
<p>Competence/Ability: (Mayer et al., 1995; Mishra, 1996). Competence/ability refers to the trustor organisation's belief that the trustee organisation will perform its duties and responsibilities because it is competent and/or possesses the requisite expertise.</p>	<p>6 I feel that my partner organisation performs its duties and responsibilities competently</p> <p>17 I feel that, when choosing my partner organisation, I am guided by the business skills and knowledge the organisation possesses</p> <p>28 I feel that my partner organisation makes competent decisions on behalf of the business alliance</p> <p>39 I feel that my partner organisation is knowledgeable about our industry</p>
<p>Benevolence or Concern: (Mayer et al., 1995; Mishra, 1996). Also referred to as caring benevolence or concern refers to the trustor's belief that something that he/she holds in esteem will be protected and not be harmed by the other party or trustee</p>	<p>7 I feel that my alliance partner works against the interests of my organisation</p> <p>18 I feel that my alliance partner is showing care toward my organisation</p> <p>29 I feel that my partner organisation engages in activities that benefit it at my organisation's expense</p> <p>40 I feel that my alliance partner takes into account how its decisions will affect my organisation</p>
<p>Integrity: (Mayer et al., 1995). Integrity refers to the trustor's belief that the trustee will adhere to the principles that the trustor finds acceptable</p>	
<p>Openness: (Mishra, 1996). Openness refers to the extent to which the trustor is willing to share information with the alliance partner or trustee</p>	

Element	Items
Reliability: (Mishra, 1996).	
Reliability refers to the extent to which the one party to the relationship believes the other is consistent and dependable	

Trust and economic empowerment were identified as the last focal area of this study. Economic empowerment may be explained as the extent to which previously disadvantaged people find meaning in the economic activity in which they are involved and which challenges their capabilities to perform relevant tasks skilfully, with a substantial degree of autonomy in such a manner that they feel that they are able to influence the economic outcomes of their activities. The items reflected the influence of Batliwala (2007), Fernandez and Moldogaziev (2012), and Kroeker (1995) and were derived from the initial phenomenological interviews. The items derived reflected typical South African black economic empowerment controversies. The items measured the trustor's belief that the other party's motive for the alliance is authentic economic empowerment.

Table 5.15: *Trust and economic empowerment*

Element	Items
Trust and economic empowerment: (Batliwala, 2007; Fernandez & Moldogaziev, 2012; Kroeker, 1995; Initial phenomenological interviews).	<p>11 I feel that I am able to rely on my partner organisation to acquire contracts from government and other state-owned enterprises on behalf of the alliance</p> <p>22 I feel that my alliance partner relies on me to acquire contracts from government and other state-owned enterprises on behalf of the alliance</p> <p>33 I feel that I initiated an alliance with my partner organisation because it had the credentials required for compliance with legislation</p>

Element	Items
	<p>44 I feel that my alliance partner initiated an alliance with my organisation because I have the credentials required for compliance with legislation</p> <p>45 I feel that I formed an alliance with my partner organisation as it may open political doors for me</p> <p>46 I feel that my alliance partner formed a business alliance with my organisation so that my organisation may open political doors for it</p> <p>47 I feel that my organisation does little or nothing and that my alliance partner does all the work on behalf of the alliance</p> <p>48 I feel that my alliance partner wants my organisation to acquire business expertise</p> <p>49 I feel that my alliance partner chose my organisation as an alliance partner in order to neutralise future competition between our organisations</p> <p>50 I feel that my partner organisation prefers an alliance partner with no experience in its business</p>

Figure 5.10 depicts the focal areas or the categories from which the items were derived.



Figure 5.10: Categories of Items

In view of the fact that the literature on organisational trust is not monolithic but a vast and heterogeneous body of knowledge, the items developed mirrored different conceptual frameworks and models in the existing literature (Mayer et al., 1995; McAllister, 1995; McCarter et al., 2011; Mishra, 1996). However, this is not to assert that the items obtained from the literature were representative of the body of knowledge on organisational trust but only to suggest that the painstaking effort that was made to ensure the breadth and comprehensiveness of the items. In choosing the number of items per category the researcher used his discretion which was also informed by the centrality of both (a) the category in the literature on organisational trust and the (b) discourse on the topic as indicated in the interview data (Curry *et al.*, 2013). Thus, the categories were not equally represented in terms of the number of items. All but the last category had 4 items each while the category on trust and economic empowerment comprised 10 items.

A qualitative analysis of the interview data was undertaken, followed by an abridged or loose thematic content analysis of the data (Braun & Clarke, 2006). Data immersion and familiarisation with the data through listening to the audio tapes and rereading the transcripts were followed by identifying the participants' opinions on the basis of their direct quotes. The verbatim statements were coded and those that related to or expressed the same idea were grouped together. In this way issues linked to trust between TC and HDI alliances were generated and items formulated.

5.3.4.3 Development of a Q sample

A Q sample was extracted from the hybrid discourse. There are several ways in which to distinguish Q samples, for example, “naturalistic” or “ready-made” or in terms of structured or unstructured designs. According to McKeown and Thomas (1988), naturalistic Q samples comprise both statements that are drawn from the participants’ written or oral communication, such as written narratives or interviews, while statements derived from sources other than the participants’ own communications are ready-made. Q samples may also be obtained by combining statements from both and are known as hybrid samples. This study developed a hybrid Q sample as items from the naturalistic statements derived from the participants’ narratives or phenomenological interviews as well as those derived from the literature on organisational trust were combined. It is argued that the hybrid Q sample developed in this study was characterised by an enhanced representativeness of all the communication from the phenomenological interviews and the literature about the research topic or what is being said by stakeholders about the phenomenon of trust in alliances between TCs and HDIs (Brown, 1993).

In unstructured sampling items that are presumed relevant to the topic are selected without undue effort being made to ensure the representativeness of the various sub-issues (McKeown & Thomas, 1988). The main drawback of this approach is that sub-issues may be either under- or oversampled and this may, in some ways, result in bias inadvertently creeping into the final Q-sample (Brown, 1980). Structured sampling, on the other hand, denotes a more systematic approach that takes into consideration the sub-issues and their relevance within the broader topic. In other words, the representativeness of the sub-issues is vital in structured sampling. This study applied a structured sampling approach to ensure the representativeness of the various sub-issues or focal areas.

Structured sampling may be either deductive or inductive (Brown, 1993). In terms of the inductive approach, the dimensions that determine whether statements are finally included in the Q-sample are suggested by the statements themselves and it is not possible to anticipate or predict them prior to the collection of the statements (Brown, 1980; McKeown & Thomas, 1988; Watts & Stenner, 2014). According to McKeown and Thomas (1988), a deductive design is guided by *a priori* hypothetical or theoretical considerations while the inductive design is based on the patterns of statements that emerge as statements are collected. In the case of deductive design the selection of items is guided by the dimensions that theory links to the construct (Webler, Danielson, & Tuler, 2009). For example, a study on the behaviour or functioning of business alliances from a dialectical

perspective may focus on the alliance's dialectical tensions such as cooperation and competition, collectivism and individualism, etc. This study drew its Q-sample from a concourse on the literature on organisational trust and the phenomenological interviews conducted. It may be said to have followed a deductive approach as theoretical considerations predominated while the sub-issues or dimensions linked to the construct were identified.

It may be inferred from the preceding discussions that statements from the concourse were extracted according to the elements or categories from which they were derived. The individual items were grouped into their respective categories and forwarded to the subject-specific expert. The Q sample was piloted by means of asking an expert on organisational trust to review the selected items. The tentative Q sample contained more items per category compared to the final Q sample to ensure that a sufficient number of items per category would remain in the event of some items being found to be unsuitable for inclusion in the final sample. In line with Watts and Stenner (2005), the subject-specific expert was requested to:

- Evaluate if the suggested statements made sense as trust items, that is, in the expert's opinion, whether the statements were suitable for inclusion in a measure of organisational trust
- Check if the statements were balanced in terms of the issues in the field
- Check for semantic or unnecessary duplication within the statements
- Check if only every day, non-technical language was used
- Check if only single proposition statements were used
- Check for the breadth and comprehensiveness of the statements
- Check if there were areas the expert would recommend be included

Subsequently, a feedback session was scheduled in which the researcher and the expert interactively discussed the latter's observations. After the subject-specific feedback and revision, two additional sessions were held and, subsequently a Q sample of 50 items was finalised. The back-and-forth discussions with the expert facilitated the development of a quality Q sample (Paige & Morin, 2014). As Watts and Stenner (2005) stated, in the tradition of Q-methodology, the rationale for piloting is to ensure (1) that semantic duplication within the statements is avoided, (2) that non-technical and everyday language is used, (3) that single proposition statements are included, (4) that the Q set is properly balanced in terms of the items that express issues in the field and (5) relevant coverage of the issues reflecting representative opinion in the domain. It is contended that the pilot, as implemented in this

study, provided sufficient justification for asserting the representativeness as recommended by the exponents of Q methodology (Paige & Morin, 2014; Watts & Stenner, 2005).

The final Q sample was in accordance with the framework that was discussed earlier in terms of the focal areas. The 50 items Q sample was within the recommended size of between 30 and 100 items or 40 to 80 items (McKeown, Hinks, Stowell-Smith, & Forster, 1999; Rogers, 1995). Each of the 50 items was numbered for the purposes of the data collection and written on 50 cards which were later presented to the participants for Q sorting. Each card contained a statement about trust in alliances between TCs and HDIs.

The choice of a deductive design was not in contradiction of the assertion that the topic of trust in business alliances between TCs and HDIs was relatively unexplored and lacked theory. The preceding statement implied, as science permitted, that conjectures were made regarding the relevance, impact and significance of items for inclusion in the Q sample. However, to use the sampling designs in order to choose a Q sample is not to assert perfect end products. As previously stated, it was not assumed that the theoretical possibilities relating to the selection of items exhausted all possibilities of the theory from which they are derived (McKeown & Thomas, 1988).

5.3.4.4 Q sorting process

The 25 participants were instructed to sort out the cards in accordance with an instruction that read as follows: Please rank the 50 cards provided according to how strongly you agree or strongly disagree with each one. **Appendix B** contains a detailed description of the way in which the participants were to sort out the cards as it cites the instructions given. As is conventional in Q methodological studies, the items that formed the Q sample did not assume meaning *a priori* (Paige & Morin, 2014). The participants engaged in a Q-sorting whereby they modelled their perspectives on trust in alliances between TCs and HDIs by rank ordering the Q sample stimuli or items along a continuum as defined in the condition of instruction (McClelland, 2013; McKeown & Thomas, 1988). In other words, by sorting the Q sample, the participants indicated their perceptions of the value and significance of the statements as based on their experiences (Stergiou & Airey, 2010). In the lexicon of Q methodology, a condition of instruction is a guide to sorting the 50 Q sample items (McKeown & Thomas, 1988). The participants were requested to rank order the statements from “most agree” (+5) to “Most disagree” (-5) in a forced-free, quasi-normal grid pattern (McKeown, *et al.*, 1999). According to Brown (1980), the rule is that Q samples that comprise 40 to 60 items must have a range of +5 to -5.

The modalities of sorting the 50 cards were summarised by Brown (1980; 1993) and McKeown and Thomas (1988) and are illustrated in figure 5.11 below:

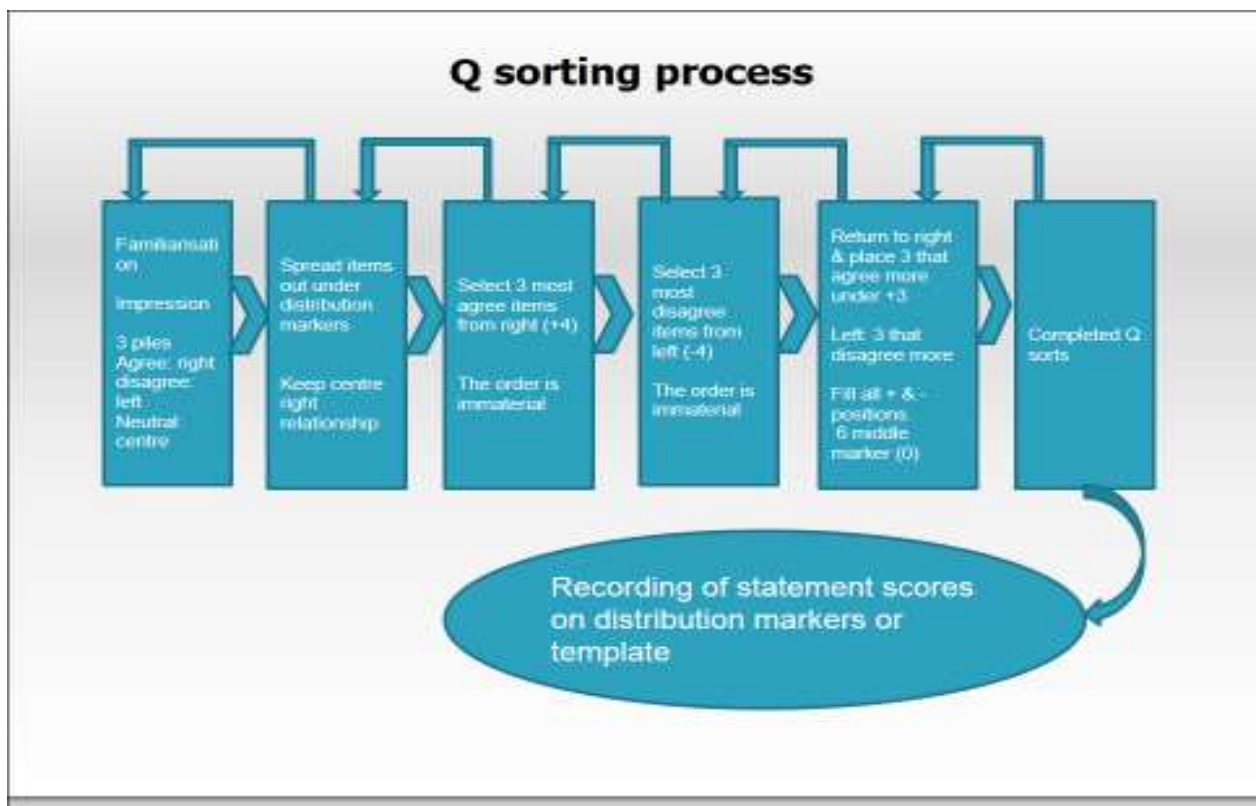


Figure 5.11: Q sorting process

1. Each of the 25 individual participants was instructed to read all the statements first so as to familiarise themselves or to form an impression of the range of opinions at issue and to enable their minds to focus (Brown, 1993). In the process of forming an impression of the range of opinion, the participants were simultaneously instructed to arrange the cards into three piles – namely, place those cards with which they agreed on the right; those with which they disagreed on the left and, in the middle, those about which they were either uncertain or neutral.
2. During the Q-sorting process each of the 25 participants spread the items out under the distribution markers, while maintaining the general centre-right relationships. This facilitated the reading of the items contextually and the drawing of comparisons. The distribution marker is depicted in Figure 1.12.
3. Studying the items to the right, the participants selected 3 items that “Most agreed” with their opinions and placed them under the +5 marker. All the items under +5 received the same score when the data was recorded. In other words, the order of placing the items under +5 was immaterial.

4. Next, the participants studied the items on the left side and selected 3 items that “Most disagreed” with their opinions and placed them under the -5 marker. Again, the order of placing under -5 was of no consequence.
5. The participants then returned to the right and placed the next 4 items that “Agreed more” with their opinions compared to the rest but which were less significant than the 3 placed under +5 and placed them under the +4 marker. The participants then repeated the process for the left side. This process was repeated until all the + and – positions were filled and only items for the middle 0 marker remained. The remaining 8 items were placed under middle marker, 0.
6. Throughout the Q-sorting process the participants were free to change their mind as to the significance of any item. For example, if a participant felt that the item under +3 marker agreed more than the one under +4, then the participant was free to swop the two.
7. In the Q-sorting the participants were allowed to work back and forth so that they could rethink the significance of each item in relation to others. After completing the Q-sorting the participants were allowed to make adjustments to items so that the final product portrayed their personal viewpoints.

At this stage it must be pointed out that both conventional survey and Q methodology studies comprise a number of items to be responded to. However, there are also fundamental differences between the two. In the case of the former the research participants are requested to rate items in a questionnaire while, in Q-methodological studies, they sort the statements by comparing the items with every item in a rank-ordering procedure (Paige & Morin, 2014). The comparison of items with every other item occurs because, the participants initially familiarised themselves with all the items and, thereafter, selected from the items those with which they agreed and disagreed the most and. In rank-ordering the statements in this study the individual respondents who participated in alliances revealed their subjective experiences of these alliances.

5.3.4.5 Post-Q sort interviews

In line with phase 3 as described above and following the completion of the Q sorting process, the 25 participants were interviewed individually. The purpose of these individual interviews was to provide the 25 participants with an opportunity to expound on their rationale for their sorting of the cards or items. Special emphasis was placed on the items sorted at the extremes of the distribution markers in order to understand the participants’ reasoning. The data collected from the post-Q sort interviews was used to clarify the

individuals' Q sortings because they illuminated the reasons why the participants had arranged the items in the manner in which they had. The data was also used as verbatim statements to support the validity of the factors.

5.3.4.6 Completion of the PANAS (Watson et al., 1988)

On completing the post-Q sort interviews, each of the 25 participants was requested to complete the PANAS (Watson et al., 1988). An in-depth description of the PANAS was provided earlier in the chapter. Briefly, the PANAS comprises 20 words that describe feelings and emotions, 10 of which are PA and the other 10 NA items. The instructions read as follows: The following consists of a number of words that describe different feelings and emotions. Read each item and then list the number from the scale below next to each word. Indicate the extent to which you have felt this way during the last 6 to 12 months about the alliance in which you are or were involved.

The data from the PANAS (Watson et al., 1988) was used to explore the association between the experiences of trust and affect or feelings of the participants. It was hoped that such an exploration would yield hypotheses that future studies on trust and feelings would find worthwhile examining.

5.3.5 Recording of data

During the first phase of the study, the researcher personally collected the requisite data by taking notes and audio recordings of the initial interviews. The audio recorded data was transcribed verbatim. The data was significant in terms of the development of the concourse and the subsequent Q samples. During phase 2, the statement scores for the completed Q sorts were recorded by writing the item numbers on a score sheet that reproduced the Q sort distribution or template – see figure 5.12.

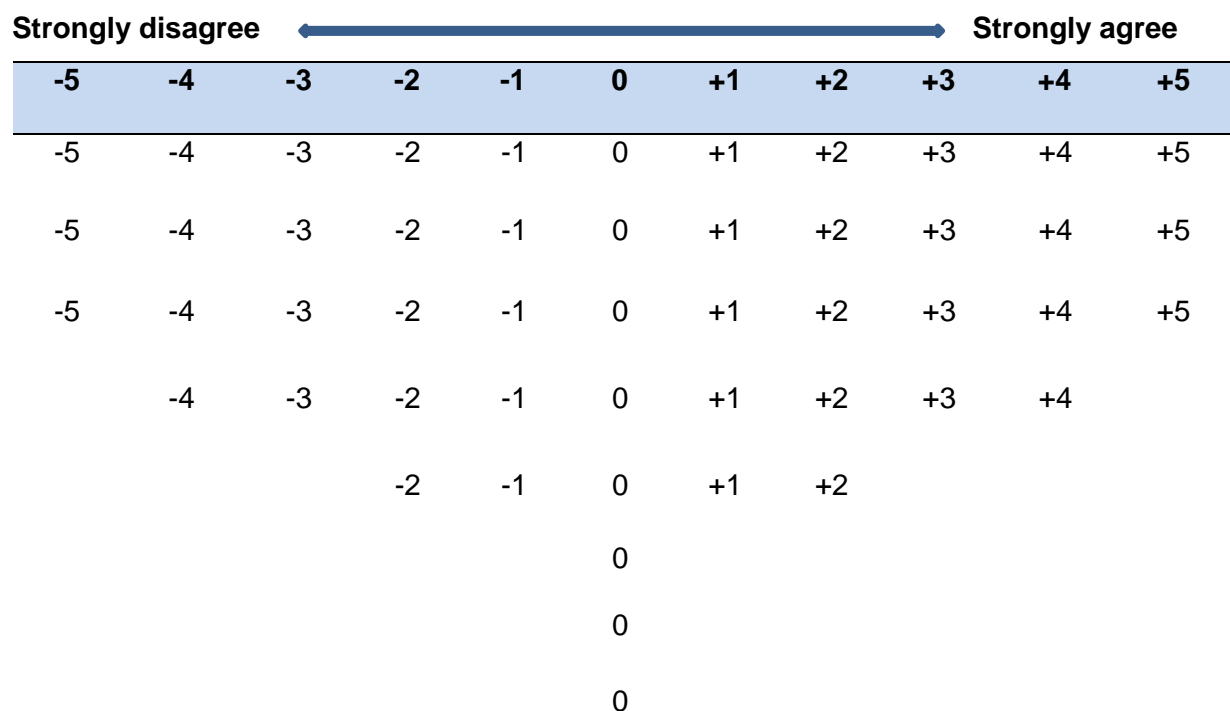


Figure 5.12: A distribution marker

The third phase or post-Q sorting interviews were recorded by taking notes and audio recordings. Back-ups containing audio and transcribed materials were kept in the researcher's computer with passwords and also in the data mass storage devices. In this way the researcher ensured that no other people would be able to gain access to data or to compromise it.

5.3.6 Data analysis

The data analysis process comprised three broad segments, (1) quantitative analysis of the completed Q sort data, (2) qualitative analysis of the post-Q sort interview data and (3) linking the factors that emerged from the quantitative analysis of the Q sort materials with the scores on the PANAS (Watson et al., 1988).

The rank-ordered statements are referred to as the Q sorts (Brown, 1980; Watts & Stenner, 2014). In this study the 25 participants individually rank ordered the 50 items printed on the cards that formed the Q sample by placing them in what they felt were the appropriate spaces in the S sort distribution – see figure 1.12. By ranking the statements the individuals introduced the element of operant subjectivity (Brown, 1993). Operants are behavioural operations which assure researchers that the concepts are related to factors that actually

exist. According to the operant approach concepts are based on demonstrable behaviour. The views or behaviours that emerged from this study were regarded as both subjective and operant (McKeown & Thomas, 1988). There were subjective because they represented the participants' points of view and operant because they existed naturally within a particular context (Brown, 1993). A subjective operant is neither right nor wrong (Brown, 1980; Brown, 1996; Ray, 2011).

The statements that comprised the Q sample carried an indeterminate meaning. In other words, the Q sort items were not constrained by prior meaning. The Q sorters imposed meaning and significance when they individually sorted the statements and, hence, the inseparability of measurement and meaning (Brown *et al.*, 1999). Through the Q sorting process the individuals determined the meaning and significance of the 50 items by ranking them in terms of how strongly they agreed or strongly disagreed with each one of them. It is made clearer in the next chapter that the statements reflected the participants' subjective viewpoints and, thus, actually acquired meaning *a posteriori* (Stergiou & Airey, 2010; Zhang *et al.*, 2013).

The items placed under +5 and -5 markers were assumed to hold greater significance to the Q-sorter than items elsewhere in the Q-sort. According to McKeown and Thomas (1988), what is of greater importance to the respondent is not an artefact of what the researcher has already determined? It is only the Q sorters who determine by ranking in relation to others at the poles those items that have of positive or negative significance to them. This also explains why the middle score (0) is not an average. Instead, it is regarded as a point which is neutral in meaning and without significance to the Q sorter.

5.3.6.1 Q sort data analysis

SPSS (2015, version 23) was used to analyse the data collected through the Q sorting process. Firstly, a correlation matrix of all the Q sorts was calculated. The correlation matrix indicated which pairs of Q-sorts were similar or dissimilar or, in other words, the degree of similarity or dissimilarity in viewpoints between the participants (Curry *et al.*, 2013). The correlation matrix reflected the relationship of each Q sort with every other Q sort (Watts & Stenner, 2005). The coefficients in the correlation matrix were calculated using Pearson's *r*. As shown in the next chapter, highly correlated Q sorts show a degree of family resemblance, with those belonging to one family being highly correlated with one another.

In Q methodology the computation of a correlation is regarded as a transitional phase between raw data and factor analysis (Brown, 1980; Stergiou & Airey, 2011; Watts & Stenner, 2014). According to Brown (1991), the correlation matrix is a means to an end as the actual attention is on the factors to which the correlation leads. In line with the principles of Q methodology, in themselves correlations are rarely of any interest as the focus of this study is not on how participants correlate but in unveiling the dominant viewpoint of the participant group (Stergiou & Airey, 2011; Watts & Stenner, 2014).

Secondly, the correlation matrix obtained was subjected to factor analysis so as to identify the natural groupings of Q sorts by virtue of their being similar or dissimilar to one another (Paige & Morin, 2014). An important tenet of Q methodology is that in Q factor analysis, persons are correlated across a sample of statements which they have rank ordered according to a condition of instruction. In Q-methodology, the variables are Q-sorts and not tests or traits as in the R method. Thus, factor analysis is a method by which the research participants classify themselves by virtue of their Q-sorts being similar or dissimilar to each other (Watts & Stenner, 2005). As Brown (1980) stated, persons who are like-minded on a topic will have similar Q sorts and they will both end up on the same factor. In other words, in this study, persons are correlated in terms of how they had experienced trust in alliances in which they had participated. Therefore, the factors reveal that clusters of people have grouped the statements in fundamentally similar and dissimilar ways, thus illustrating how the participants shared similar and dissimilar experiences (Ray, 2011). The factors represented the participants' experiences of trust in the alliances while the extent to which a participant was associated with each viewpoint was shown by his/her *loading* on the factor in question (McKeown & Thomas, 1988).

Factor analysis reveals the number of different families (factors) that exist (Brown, 1991). This is achieved through factor rotation. For the purposes of this study principal component analysis was used as it is regarded as suitable for Q methodology (Brown, 1980; Watts & Stenner, 2005). The six factors that emerged in this study were, therefore, purely empirical and dependent upon the participants' Q sorting. The resulting factor loadings indicated the extent to which each Q sort was associated with each factor.

5.3.6.2 *Analysing Q sort results in relation to affect*

For the PA scale of the PANAS, Watson and his team (1988) reported reliabilities of 0.89, 0.90, 0.88, 0.87, 0.86 and 0.88 for the respective time instructions of moment, today, past few days, past few weeks, year and general. On the other hand, for the NA scale of the PANAS Watson et al. (1988) reported reliabilities of 0.85, 0.87, 0.85, 0.87, 0.84 and 0.87 for the respective time instructions of moment, today, past few days, past few weeks, year and general. Watson and his team (1988) also reported high convergent correlations that ranged from 0.89 to 0.95 with very low discriminant correlations that ranged from -0.02 to -0.18 for both scales. Other researchers have also reported the high reliability and validity of the PANAS (Watson et al., 1988) scales (Galinha et al., 2013; Stokes et al., 2010).

A detailed description of the PANAS scales is presented in chapter 4. As noted earlier, in this study the PANAS scales (Watson et al., 1988) were used to gather data on the affective experiences that had resulted from the individual respondents' participation in alliances between TCs and HDIs in the preceding six to twelve months. The PA indicates the degree to which one is enthusiastic, active and alert while the NA reflects subjective distress and unpleasurable engagement (Watson et al., 1988). According to Watson and his co-researchers (1988), high PA states reveal high energy, pleasurable engagement and full concentration while high NA reflects sadness and lethargy.

The PANAS (Watson et al., 1988) was used in an unconventional way in exploring the association between trust experiences and affect with the participants' results from the PANAS being used unconventionally as a heuristic device to facilitate the exploration of the association between organisational trust and affectivity in business alliances between TCs and HDIs. The PA and NA scores from the PANAS (Watson et al., 1988) are averaged along the six factor groups so that the experiences of the group defining Factor A are examined vis-à-vis their PA and NA averaged scores. In other words, the individuals' scores on the PANAS (Watson et al., 1988) are summed and averaged according to the six factor groups. It was believed that the exploration would reflect the interplay between the experiences of trust and affective reactions.

In concluding this section it may be stated that the participants' experiences regarding trust in TCs and HDIs were brought to light. Through factor analysis and factor rotation the Q-sorts or experiences were reduced to fewer operant types. Given the fact that the Q sorts were carried out by the participants themselves, the factors that emerged represented the authentic operational definitions of the participants' subjective experiences with trust in

alliances between TCs and HDIs as they reflected how they had experienced this phenomenon.

One of the central tenets of Q methodology is that the factor scores, and not the factor loadings, are the primary mode of interpreting factors. A factor score is explained as an average of the scores ascribed to that statement by all of the Q sorts associated with the factor (Brown, 1991).

5.3.7 The strategies employed to ensure quality data

As already discussed, representativeness was ensured in two ways, namely, (1) by applying a careful selection process to the sample to ensure a broad and comprehensive P set and (2) by developing from a concourse a Q sample that represented the breadth and depth of the population of opinion statements. This eliminated issues of bias and also ensured comprehensiveness and breadth in terms of coverage of the participants and the issues related to the topic.

Qualitative research relies on the transferability of the findings, but not the generalisation of such findings, to the broader population (Stergiou et al., 2010). The aim of rich description of the context of the study provided was to enhance the contextual applicability of the findings. Contextual applicability requires that rich, detailed descriptions of the context are provided to enable the readers to exercise sufficient judgement about the transfer of outcomes. In view of the fact that qualitative and constructivist research results in multiple realities that may compete with each other, the issue of applicability is contentious (Stergiou et al., 2010). However, applicability to the situation in which the research is grounded has been accepted on condition that rich, detailed pictures of the context are provided.

In the main, confirmability limits researcher bias by means of connecting the results of the study to raw data (Clisset, 2008; Petty et al., 2012). In this study theory only partly guided the development of the concourse and the way in which the Q set was structured. In addition, theory did not influence how the individuals reacted to the initial phenomenological interview question and how they sorted the statements. Confirmability makes it possible to trace the findings to the raw data, thus ensuring that the research results do not represent the researcher's own assumptions, biases or worldview (Petty et al., 2012). The choice of Q methodology and the implied quantitative methods enhanced the confirmability of this study as the factors that emerged from the study were linked to specific statements that

distinguished the factors (Watts & Stenner, 2005; Brown, 1980). The factors emerged naturally and were not forced or constrained by theory to appear.

Dependability is ensured by use of an inquiry audit and the external auditor examining the research process (Petty et al., 2012). In this study there was a definite audit trail while the researcher kept a research journal.

The integrity of the study was ensured by securing the data (Stergiou et al., 2010). All the hard, non-electronic data, including interviews and transcripts, completed Q sorts and post-sorting interviews and the PANAS scale data were kept in a safe place that could be accessed only by the researcher. The researcher also kept soft copies of the transcripts safely on his computer protected with a password and in his data mass storage devices. In so doing the integrity of the data was secured.

The researcher was granted ethical clearance from the University of South Africa's Ethics Research Committee. As for permission from the organisations, the researcher approached individuals who owned TCs and HDIs and solicited their participation in the study. Included in the steps taken to ensure quality data and in compliance with the ethical clearance received, the researcher developed a research protocol that addressed the following issues:

A letter was written to the participants containing sufficient information about the research topic and soliciting their participation in the study. The purpose of the study was explained to each participant as the researcher did not feel the need to conceal information. The letter is included as **Appendix C**. However, to the astonishment of the researcher, some of the respondents appeared to be somewhat sensitive about topic, maintaining that the issues were more sensitive than the researcher anticipated. Two of the latter participants were not prepared to give their consent to the audio-record of the initial interview. However, the interviews proceeded with the researcher jotting down notes.

The participation in the study was based on a freely given, specific and informed consent. The participants were informed of their rights, including the right to refuse to participate, change their decision or withdraw the informed consent given earlier at any stage of the research process without prejudice. They were also informed of their right to refuse to answer any of the interview questions without prejudice.

The request for permission to participate included consent to participate in the interview and to allow the audio-recorder to be used during the interviews conducted during phase 1. The request for permission also included their consent to participate in the Q sorting process as

shown in **Appendix D**. The participants' privacy was respected, including anonymity and confidentiality with the participants being assured of both confidentiality and anonymity. Anonymity was ensured by not including any information that would identify the participants' identifying information in either the research report or the thesis.

The data handling process has already been explicated. At the centre of these discussions were the following pertinent points:

Point 1: Twenty-five ($n=25$) participants sorted out 50 items ($N=50$) that were printed on 50 cards. The Pearson product-moment correlation enabled the researcher to identify the strength of the relationship between each of the Q sorts or participants. The statistical analysis of the 25 Q sorts revealed a correlation matrix which indicated which pairs of Q sorts or participants shared similar or dissimilar trust experiences in alliances between TCs and HDIs.

Point 2: The correlation matrix obtained was subjected to factor analysis so as to identify the natural groupings of Q sorts or participants by virtue of their being either similar or dissimilar to one another in terms of trust experiences. In line with the tenets of Q methodology, principal component analysis was used. Factor loadings indicated the extent to which each Q sort or participant was associated with each factor. The factor loadings revealed that clusters of people (or families) had grouped the statements in fundamentally similar and dissimilar ways, thus reflecting similarity or dissimilarity in their trust experiences.

Point 3: The factors that emerged revealed the clusters or groupings of Q sorts or participants who had shared similar or dissimilar trust experiences. In other words, through factor analysis, a number of different clusters or families with unique trust experiences emerged with the research participants classifying themselves by virtue of their Q-sorts as being either similar or dissimilar to each other. Individual participants who are like-minded on a topic have similar Q sorts and they end up on the same factor.

Point 4: The interpretations of the factors were rooted in the factor scores that represented the voices of the participants associated with each of the factors. A factor score is an average of the scores accorded to that statement by all of the Q sorts that defined a factor. Therefore, a factor score is similar to finding a composite Q sort for the group of Q sorts defining a factor. Factor scores reveal how clusters of people have grouped the statements in fundamentally similar and dissimilar ways while *ipso facto* shows how the participants shared similar experiences. It is clear from the preceding elucidation on factor scores that

factor scores allow for a closer examination of a group's unveiled experiences. In this study the factor scores provided a deeper and more insightful understanding of a group's unveiled experiences of trust in alliances between TCs and HDIs than may otherwise have been the case. While the factors that emerge exemplify the groups, the factor scores epitomise the statements that distinguish the factors. As will be noted in chapter 6, there is a procedure involved in calculating factor scores. The factor scores that each statement receives is an indication of an attitude in operation.

Point 5: The post-Q sort interviews data personified the voices of the participants when they were expounding on their reasoning for their ranking of the items. The relative item ranking as revealed by the factor scores and the participants' voices were central in for factor interpretations as they provided an account of the viewpoints expressed (Watts & Stenner, 2005). The post-Q sort qualitative interview data was crucial as it provided an orientation to the groups' trust experiences in alliances between TCs and HDI in South Africa. The data was used both to lend credence to the existence of the factors and to aid the interpretation of the factors.

Point 6: In exploring the feelings or emotions that the participants associated with their experiences of trust in TC and HDI alliances in which they had participated or were participating in, the study relied on the participants' data as revealed by the PANAS (Watson et al., 1988). The association between the six groups of participants' unique trust experiences exemplified by the six factors that emerged and their respective performance on the PANAS (Watson et al., 1988) were explored. The participants indicated the extent to which they had experienced certain moods or feelings which they associated with their participation in alliances with the TC or HDI partner(s) they had or had had in the preceding six to twelve months. Therefore, to explore this association, the study used data exemplifying the six factors, the post-Q sorting interview data which, essentially, supported the factors which had emerged and the scores on the PANAS (Watson et al., 1988). In exploring the association, the primary focus was on the items that distinguished the factor groups from each other and how those items peculiar to each group related to the groups' PA and NA scores on the PANAS (Watson et al., 1988). The interview data was crucial in illuminating the association.

5.3.8 Propositions made

Organisations form alliances for a plethora of reasons. In the South African black economic empowerment milieu, some relatively inexperienced HDIs may seek alliances with their more experienced TCs counterparts with the primary purpose of learning from them. The literature abounds with instances of HDIs and black individuals who have been seduced by TCs to form business alliances, only to end up functioning in symbolic capacities (Butler, 2011; Tyson, 2011). Some of these HDIs perceive such overtures as an opportunity to learn and be empowered in terms of business skills and knowledge. However, after the business deal has been concluded, their desire to learn is frustrated by a lack of opportunity for involvement in the performance of alliance duties and their being relegated to function in symbolic roles only. On the other hand, the TCs may be concerned about the possibilities of the appropriation of knowledge and other opportunistic behaviours on the part of the trustee HDIs. They may also be concerned about the future possibilities of facing current business partner as business competitors. TCs may also disagree with the government's economic empowerment policy which they perceive as favouring a section of the population only. The afore-mentioned issues have the capacity to debilitate trust and may also impede the development of trust between HDIs and TCs. The following 19 propositions made in chapter 3 and the 3 in chapter 4 were used to examine what emerged from the empirical Q study versus theoretical propositions:

Proposition 1: When HDIs and TCs form business alliances, such alliances will initially be characterised by the focal organisation's high social uncertainty which will negatively affect its perceptions of the partner organisation's trustworthiness and impede it from working towards alliance goals.

Proposition 2: In alliances between HDIs and TCs, the trustor or focal organisation's social uncertainty will decrease as the trustor or focal organisations develops positive experiences with the partner organisation and perceives the trustee to be trustworthy. This will minimise the focal organisation's perceptions of its vulnerability and may increase its willingness to take risk.

Proposition 3: Contextual factors such as culture, socio-economic factors, politics and government policies embedded in the setting will affect trust indirectly by influencing the relationship between social uncertainty and perceptions of trustworthiness.

Proposition 4: Cultural differences between blacks and whites may account for the differences in propensity to trust between the two groups such that high propensity to trust will have a positive effect on the focal organisation's trust in the partnering organisation.

Proposition 5: In alliances between HDIs and TCs, the salient cultural differences will influence the focal organisation's perceptions that the trustee organisation is trustworthy prior to information about the trustee becoming available.

Proposition 6: The focal TCs or HDIs that experience their partners as trustworthy will perceive trust to be a foundation of their business alliances.

Proposition 7: Focal HDIs will form business alliances with the more resourced and experienced TC counterparts with the primary purpose of accessing the TC partner's business knowledge so that they can be empowered in terms of business skills and knowledge.

Proposition 8: In alliances between HDIs and TCs, prior information about the HDI partner becoming available as well as the generalised belief about the inadequacy of the business skills and capital amongst the HDIs will result in HDI partners being perceived as lower in ability trust

Proposition 9: The focal HDI or TC organisations that are high in propensity to trust will demonstrate stronger trust in the HDI or TC partners than may otherwise have been the case.

Proposition 10: Based on issues such as fronting and window-dressing and prior information about the TC partner becoming available, TCs that approach unsuspecting and least experienced HDIs to form business alliances will be viewed with distrust and as lower in trustworthiness.

Proposition 11: Relational small wins will influence the relationship between social uncertainty and perceptions of trustworthiness.

Proposition 12: In alliances between HDIs and TCs, as a result of the practice of window-dressing on the part of TCs, the focal HDIs will use relational small wins in anticipation of unscrupulous or untrustworthy behaviour by the latter.

Proposition 13: In alliances between HDIs and TCs, the latter will prefer relational small wins in anticipation of a lack of performance owing to a perceived lack of ability or competence on the side of the former.

Proposition 14: The outcomes of the relational small wins will influence the focal TC or HDI organisation's perceptions of risk and whether willingness to take risk translates into risk-taking such that positive relational outcomes will result in risk-taking act(s) on the part of the trustor.

Proposition 15: Positive outcomes from the risk-taking behaviour will decrease the focal or trustor organisation's feelings and perceptions of vulnerability and result in a willingness to make larger investments in the alliance.

Proposition 16: Negative outcomes from the risk-taking behaviour will result in perceptions of increased vulnerability on the part of the focal or trustor organisation which will strain the relationship and may result in the alliance being discontinued.

Proposition 17: The trustor organisation's high perceptions of risk will lessen the chances that the risk-taking act will occur.

Proposition 18: In alliances between TCs and HDIs, the focal organisation will use formal contracts and relational small wins if it perceives risk with the partner organisation to be high.

Proposition 19: The focal TCs or HDIs that perceive their business alliances as characterised by high or strong trust will demonstrate high PA and low NA scores.

Proposition 20: The focal TCs or HDIs that perceive their business alliances as characterised by weak or low trust will demonstrate low PA and high NA scores.

Proposition 21: The focal TCs or HDIs that perceive their business alliances as characterised by mixed trust feelings will demonstrate high PA and high NA scores. However, higher PA score relative to NA score indicates that the pleasant outweigh the unpleasant experiences. Similarly, the higher NA score relative to the PA score indicates that the unpleasant outweigh the pleasant experiences.

5.3.9 Reporting

The results of the study are presented both qualitatively and quantitatively in chapter 6. Correlations, factor loadings and factor scores are presented. Tables that reveal the items that exemplify the views of the participants associated with the factors are used. The verbatim statements derived from the post-Q sort interviews are also presented to lend credence to and support the factors that emerged. The descriptions of the factor scores are used in order to report the results.

5.3.10 Potential limitations of the research design

The nature of Q methodology decrees that purposive sampling techniques be used. The reason for this is that Q methodology relies on small samples that necessitate P set (person samples) likely to have a point of view on the phenomenon under investigation. When the researcher does not have a sufficient number of participants and uses snowball sampling, the probability of bias entering the study becomes higher.

In developing a concourse, there is always the possibility that some important topic or sub-topic may be omitted from the final Q sample. This is also a challenge that faces researchers who conduct Q methodological studies. However, in choosing both the P set and the Q sample, Q methodology never claims that the end products will be perfect. There is also no assumption that, in cases of both the P set and the Q sample, all theoretical possibilities relating to the selection of the participants and items will exhaust all the possibilities of the theory from which they were derived (McKeown & Thomas, 1988). The Fisherian design is used to provide a systematic basis for the construction of Q samples in Q methodology studies and this study was no exception (Stephenson, 1993).

The aim of this Q methodological study was never to generalise the research results to the broader population. While the researcher made an effort to ensure a P set that was diverse in terms of race, gender and other biographical variables, it remains conceivable that other significant demographic characteristics may have been overlooked.

5.4 CHAPTER SUMMARY

The research design is a blueprint or framework that proposes how the researcher will address the research questions. Firstly, the chapter discussed the research strategy and

research approach used in the study by elaborating on the meta-theoretical assumptions that underpinned the study. This included the interpretive paradigm as well as the constructivist and qualitative approach to the study. The research method, which was premised on the methodological assumptions of the study, were discussed, including a description of the research setting, entrée and researcher roles, the selection of the P set as well as the data collection and data analysis processes. The significant characteristics of the sample were described.

The discussion of the research method, specifically, the Q methodology was fairly detailed because of the following two fundamental reasons:

- The unconventional nature of Q methodology within the discipline of I-O Psychology necessitated a detailed description
- The need to provide the practical application of the study with a solid theoretical grounding

Only the fundamental and indispensable theoretical tenets that supported or informed the data analyses were discussed to enable the reader to appreciate both the rationale for and the mode of data analyses conducted.

The next chapter presents the results of the study in the form of correlations, factor analysis and factor rotations. However, the focus of this study remained, as the tenets of the interpretive paradigm require, the subjectivity expressed by the respondents as regards trust in alliances between TCs and HDIs. Unveiling such human subjectivity necessitated the use of statistical procedures. It must be noted that subjectivity is not antithetical to the use of statistical procedures. Central to this study were the underlying meta-theoretical and methodological assumptions of Q methodology which were distinguished from the quantitative methods such as correlation and factor analysis that Q methodology uses in order to reveal the subjectivity involved in the study. In other words, the central issue remained the researcher's paradigmatic location (Goldman (1999).

The next chapter presents the trust experiences of the participants in alliances between TCs and HDIs. It is hoped that uncovering the participants' trust experiences will help in developing a trust model that will facilitate a better understanding of trust in these alliances than is presently the case.

CHAPTER 6: RESEARCH RESULTS

Broadly stated, the primary aim of the study was to uncover the participants' experiences of business alliances between TCs and HDIs as they related to the phenomenon of trust, with a view to developing a model that would facilitate a better understanding of trust in these institutions. This chapter may be said to constitute the core of the research study as it presents the empirical results of the study. The empirical results of the study were achieved by

- examining the trust experiences of individuals who had participated in alliances between TCs and HDIs
- exploring the association between the participants' experiences of trust in alliances between TCs and HDIs and the feelings or emotions evoked by their participation in such alliances
- integrating the theoretical elements highlighted in the organisational trust model proposed in chapter 3 and the elements of trust into a model for understanding trust in business alliances between TCs and HDIs.

Firstly, investigating the trust experiences of participants in business alliances between TCs and HDIs required that the meta-theoretical issues underlying both the research approach and the research strategy as well as the way in which they related to the data analysis techniques as discussed in chapter 5 were borne in mind, in particular that the study had analysed subjective and qualitative phenomena such as the trust experiences of the participants using quantitative techniques or statistics. In presenting the results, the study used correlation coefficients to identify the strength of the relationship between each of the completed 25 Q sorts. The inter-correlations of the individual scores revealed which of the participants had sorted the statements in a similar and/or dissimilar way. The study also subjected the correlation matrix which had been obtained to factor analysis so as to identify the natural groupings of the Q sorts by virtue of their being either similar or dissimilar to one another. In other words, the factor loadings revealed that clusters of people (or families) had grouped the statements in fundamentally similar or dissimilar ways, thus reflecting either similarity or dissimilarity in their trust experiences.

As already explained, in Q methodology, it is the factor scores and not the factor loadings that are the primary mode of interpreting the factors. A factor score is as an average of the scores accorded to that statement by all of the Q sorts associated with the factor (Brown,

1991). Tables are used to present the items that exemplify the views of the participants as associated with the relevant factors. In addition, the verbatim statements from the post-Q sort interviews are also presented to in order to strengthen and support the factors that emerged.

This study used the Q methodological approach to realise the empirical aim of the study. Q methodology is described by Zabala (2014) as a powerful methodology that illuminates complex problems that involve human subjectivity. Human subjectivity coexists with a wide range of opinion or experiences of people on any issue of social or public interest with Q methodology endeavouring to articulate such opinions or experiences, including those of minorities (Brown, 1980; Zabala, 2014).

Secondly, the chapter presents the results pertaining to the exploration of the association between the participants' experiences of trust in alliances between TCs and HDIs and the feelings or emotions invoked by their participation in such alliances. The averaged scores of the individual groups on the PANAS (Watson et al., 1988) are the compared with their trust experiences.

Thirdly, the chapter presents the proposed harmonised model that integrate the elements highlighted in the theoretical organisational trust model, as proposed in chapter 3, and the elements of trust which were identified in the empirical study into a model for understanding trust in business alliances between TCs and HDIs in the South African economic empowerment domain.

Before presenting the results it was deemed imperative to highlight the significant statement made by Brown (1980) regarding the need to bear in mind the relationship between technique and methodological standpoint. As explained in chapter 5, Q methodology is anchored on interpretive and constructivist meta-theoretical assumptions and the role of statistics or numbers is relatively unimportant (Brown, 1980). Again, it needs to be reiterated that it is individuals or Q sorts and not variables that are correlated in the sense that the focus is on the Q sorts produced by the research participants (McClelland, 2013; Zabala, 2014).

This chapter presents and discusses the results of the study by focusing on the various statistical analyses which were performed in order to find answers to the empirical research questions. Mathematical or statistical operations such as how one arrives at factor weights and factor scores were sometimes carried out. Correlations, factor analysis as well as factor

scores were central to achieving the research objectives. The empirical findings are integrated with the existing literature on the topic under investigation.

6.1 WHAT A SINGLE Q SORT EXPLAINS

In Q studies, a participant is required to arrange the items under a condition of instruction such as “ranking the 50 cards provided in this study according to how strongly you agree or strongly disagree with each one”. The items at the extremes of the Q sort distribution and, in the case of this study, those items marked (-5) and (+5), are said to have a “psychological significance” (Brown, 1980; Morton & Sasse, 2014; Watts & Stenner, 2014). The statements arranged at the extremes are the most salient or significant relative to those towards the middle, which are regarded as relatively neutral and lacking significance. According to Brown (1980), phenomenologically, this line of reasoning is in harmony with how most people appear to function as those things that are uncharacteristic of us or our experiences are just as important, although in a negative sense, as those that apply either to us or our experiences in a positive sense.

SPSS (2015, version 23) software was used to capture the way in which each of the participants sorted the statements with the sorting resulting in 25 Q sorts. In view of the relatively larger number of participants, $n = 25$, one Q sort only is presented to illustrate the inadequacies of individual Q sorts as aids in the data analysis process. This may be said to suggest that some incomplete meaning may be gleaned from analysing a single Q sort or by analysing a number of Q sorts not in relation to one another.

6.1.1 An example

As an example of what the analysis of an isolated single Q sort reveals, the Q sort of participant 1 is depicted in Figure 6.1. As may be seen from the example in Figure 6.1, under a condition of instruction to “sort the cards from how strongly you agree to how strongly you disagree” the participant rated statements 15, 35 and 38 as +5 and statements 45, 46 and 47 as -5 statements.

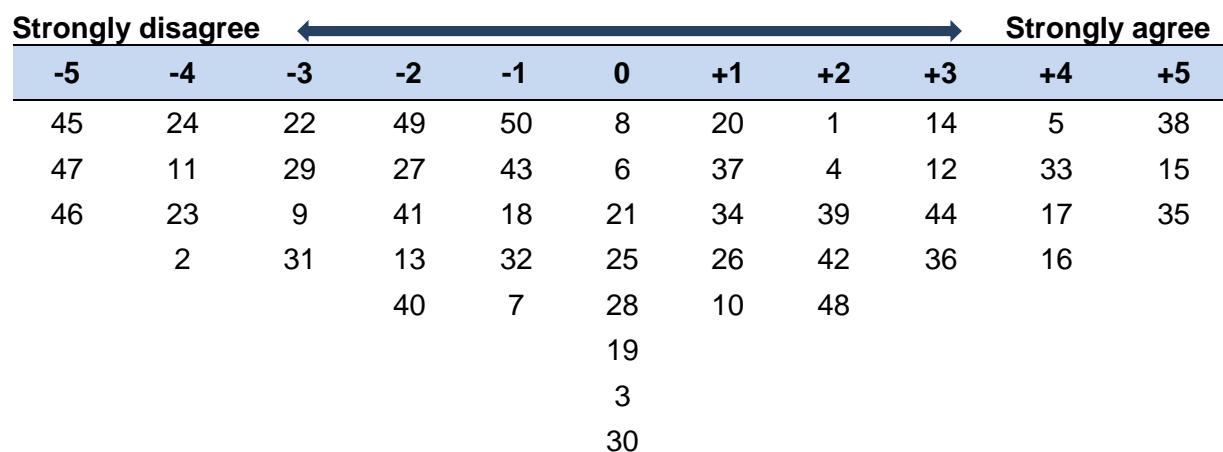


Figure 6.1: Q Sort Distribution for Participant 1

Table 6.1 provides a tabular representation of participant 1's most significant experiences regarding trust in alliances between HDIs and TCs. As may be observed from Figure 6.1, the Q sort resembles a mini experiment through which participant 1, who happened to be black, unveiled his experiences of trust in alliances with TCs, showing affinity to some items and rejecting others (Brown, 1980).

Table 6.1: Participant 1's Salient Experiences of Trust

Strong agreement with the statements and ranked (+5)	Strong disagreement with the statements and ranked (-5)
38 I feel that I generally give people the benefit of the doubt when I first meet them	45 I feel that I formed an alliance with my partner organisation so that it may open political doors for me
15 I feel that trust is the foundation of the relationship with my partner organisation	47 I feel that my organisation does little or nothing and that my alliance partner does all the work on behalf of the alliance
35 The lack of social interaction between black and white people over the years has affected the level of trust in my business partner	46 I feel that my alliance partner formed a business alliance with my organisation so that my organisation may open political doors for it

The ranking of the 3 items under +5 shows strong agreement with the items. This ranking of (+5) for item **38** revealed that participant 1 had a high propensity to trust, as expressed by the view that he felt that he generally gave people the benefit of the doubt when he first met them. However, one may only understand participant 1's propensity to trust and his other

experiences of trust by taking into account the rest of his Q sort distribution. For example, his strong inclination to trust others was demonstrated by his high ranking under +4 of items 5 and 16:

5 I feel that my tendency to trust others is high (+4)

16 I feel that I trust people until they give me a reason not to trust them (+4)

On the basis of the limited information provided by the scoring of the scores for items **38**, **5** and **16** it was possible to conclude that participant 1 had a strong inclination to trust others. The post-Q sorting interview data was then used to provide further credence to participant 1's strong inclination to trust others:

"I believe in shaking hands. Trust is fundamental."

As demonstrated by taking one or two salient and negatively scored items as an example, it was found that participant 1 had strongly expressed the view that neither he nor his partner had formed the alliance so that they could open political doors for each other. This view is encapsulated in items **45** and **46** in Table 6.1.

Again, the negative scoring of the two items together with the rejection of the following two items may have suggested participant 1's orientation towards black economic empowerment practices:

11 I feel that I may count on my partner organisation to acquire contracts from government and other state-owned enterprises on behalf of the alliance (-4)

22 I feel that my alliance partner relies on me to acquire contracts from government and other state-owned enterprises on behalf of the alliance (-3)

With the limited information available, it is, thus, possible to conclude that participant 1's alliance with his TC partner was not based on political expediency intended to acquire contracts from government and other state-owned enterprises on behalf of the alliance. Under these conditions and given the limited data used in the preceding example, there was no evidence that the focal organisation was suggesting that its TC partner may have been using participant 1 as a façade for black economic empowerment – an issue that has the potential to impede authentic economic empowerment in South Africa.

However, this mode of analysing Q sorts may result in a flux of individual impressions that would soon become unintelligible if this pattern in analysing the 25 Q sorts were followed. It may be inferred from the preceding discussion that analysing the single Q sort had revealed some information about the trust experiences of participant 1 in alliances between TCs and HDIs. However, the study aimed to uncover the experiences of the 25 participants by analysing their completed Q sorts. The preceding example of the Q sort of participant 1 revealed that this mode of data analysis was inadequate as it did not contribute to data reduction by revealing who disagreed with whom and who seemed to be close in views to whom (Beck, 2014). Consequently, the study focused on all the 25 Q sorts and used statistical techniques for the purposes of the data analyse. Thus, in order to analyse the data, the study relied on correlation coefficients, factor analysis and factor scores. The Q sort of participant 1 was arbitrarily chosen to demonstrate what scrutinising or analysing a single Q sort in isolation may achieve. Any of the other 24 may have been chosen to accomplish the same objective.

6.2 Q SORT CORRELATIONS

Although it is regarded as a transitional phase between raw data and factor analysis, it was deemed necessary to explain the utility of correlations in the data analysis process. In accordance with the tenets of Q methodology, the respondents were listed in the columns and the statements in the rows. As a result the data matrix of $n \times N$ dimensions and containing $n = 25$ Q sorts and $N = 50$ items was created, thus resulting in Table 6.2. In this way the statements that had been rank-ordered by the participants were transformed into an array of numerical data. The 25 columns or Q sorts and 50 rows or statements produced a total of $n \times N$ 1250 entries.

Table 6.2: *Data Matrix (Q sort by Respondent)*

	Q	Q	Q	Q	Q	Q	Q	Q	Q	Q	Q	Q	Q	Q	Q	Q	Q	Q	Q	Q	Q	Q	Q	Q	Q
	sort1	sort2	sort3	sort4	sort	sort	sort	sort	sort	sort	sort	sort	sort	sort	sort	sort	sort	sort	sort	sort	sort	sort	sort	sort	sort
					5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25
Items																									
1	2	-5	1	0	2	-1	2	0	-3	2	4	-1	2	-2	-1	-4	1	-4	1	-3	-1	0	3	1	-1
2	-4	2	3	2	-4	-2	-4	-4	-2	-1	-1	0	4	2	0	0	-5	0	0	-1	0	1	-1	0	1
3	0	1	0	0	-1	-3	0	1	1	1	-3	4	0	4	2	3	0	-1	0	2	2	3	0	2	1
4	2	-1	-4	1	3	5	3	-1	5	1	-4	-1	1	-4	-2	2	5	-3	1	3	-2	4	-3	-1	-2
5	4	4	2	1	2	-2	4	2	-1	0	3	-2	3	2	-2	3	0	3	4	2	-2	-1	3	5	-2
6	0	2	2	3	3	1	0	-3	1	-1	5	3	2	4	3	-1	4	5	-3	5	4	-1	4	3	4
7	-1	-3	-2	5	1	0	-1	0	0	0	-4	-5	2	-4	-3	0	-3	-5	-1	0	-3	0	-4	-4	-1
8	0	-1	2	0	-2	-2	0	2	-3	2	-1	-1	-1	0	5	0	-1	0	0	0	5	0	5	2	5
9	-3	-2	-2	3	-4	-3	-3	0	2	4	-5	-3	-2	-3	-2	-1	-1	-4	-2	-3	-3	-5	-5	-1	-3
10	1	1	2	-2	-3	-4	2	-2	-4	-1	0	-3	0	0	3	0	-2	5	2	0	3	1	5	0	3
11	-4	-4	-5	-4	-5	0	-4	1	0	5	0	-3	-5	-3	-4	-5	-3	-2	5	-5	-4	5	-2	-5	-3
12	3	1	-2	0	-1	-4	3	0	0	3	4	-2	-1	2	4	2	3	1	1	-2	4	3	2	0	4
13	-2	3	3	-3	-3	1	-2	3	-3	-1	5	5	-3	2	-1	-2	-4	-1	-1	-2	0	0	4	4	0
14	3	0	1	0	0	1	1	2	1	2	4	1	4	3	-3	2	2	1	1	4	3	1	2	5	5
15	5	-2	1	2	0	3	5	-2	4	-1	2	4	-4	5	5	1	3	2	3	-1	5	-2	1	4	3
16	4	4	5	-1	3	0	4	2	0	-2	1	1	3	3	0	4	0	3	-3	0	-1	2	0	3	0
17	4	1	5	2	0	3	3	0	5	-2	1	1	2	5	3	1	4	1	-4	-5	3	4	2	5	3
18	-1	-2	-3	1	-2	-5	-1	-2	-2	3	-1	4	-1	-2	0	-3	0	-1	0	-1	1	-1	2	1	2
19	0	0	4	0	0	-5	0	1	-5	3	3	-1	0	3	2	0	0	0	-3	0	2	1	5	2	2
20	1	0	-2	-2	-3	-1	1	-1	2	-2	-2	2	-4	-2	0	-1	2	3	0	-2	0	-2	1	2	0
21	0	0	1	0	-2	-3	0	1	-3	-2	5	0	-2	4	5	0	-1	4	3	-5	5	1	0	0	5
22	-3	5	-1	4	5	4	-3	-2	4	-5	-1	5	5	-5	1	4	5	2	-5	4	1	-5	-1	-4	1
23	-4	-3	-5	1	-2	1	-4	5	-1	4	-2	-4	-2	-3	-4	-4	-3	-4	2	-2	-3	4	-3	-2	-4
24	-4	2	3	4	4	3	2	-5	3	5	0	3	2	1	1	2	-3	-2	2	3	1	4	0	-3	1
25	0	1	2	-1	0	-4	0	4	1	2	0	3	0	0	0	2	2	1	2	0	0	3	2	0	0
26	1	2	0	3	1	5	1	0	4	3	-5	2	1	-1	-2	2	2	4	-2	2	-2	2	0	-1	-2
27	-2	4	5	2	1	1	-2	3	0	0	0	-2	4	1	-1	3	-1	0	4	-1	-1	0	0	5	-2
28	0	-2	3	0	2	0	0	0	-2	-4	3	-2	-1	1	1	-1	1	4	-4	1	0	-3	2	-3	0
29	-3	-3	-3	1	1	2	-3	-1	-1	0	-5	-3	-3	-3	-4	1	-1	-5	-1	1	-3	0	-2	-4	-4
30	0	0	4	-1	0	0	0	0	-1	0	4	0	0	1	-1	-2	3	-1	0	0	0	-2	4	4	0
31	-3	-1	-3	-2	-3	-1	-2	-4	-4	-4	2	0	2	0	2	0	-2	1	3	-3	2	-3	-2	-1	2
32	-1	0	-1	-2	-4	2	-1	4	-2	0	1	0	-3	3	4	-4	0	5	4	-2	3	1	4	4	4
33	4	-5	4	-4	-5	0	4	5	2	-5	2	-2	-5	0	-3	-5	-5	-3	5	-4	-4	5	-2	-5	-3
34	1	3	-1	3	-1	-1	-3	4	1	2	0	2	-2	1	0	-2	1	-1	3	2	0	-1	-1	0	0
35	5	-1	-1	-5	3	2	5	4	3	1	0	-1	3	-1	2	1	4	0	5	2	2	-2	-3	-2	2

	Q sort1	Q sort2	Q sort3	Q sort4	Q sort 5	Q sort 6	Q sort 7	Q sort 8	Q sort 9	Q sort 10	Q sort 11	Q sort 12	Q sort 13	Q sort 14	Q sort 15	Q sort 16	Q sort 17	Q sort 18	Q sort 19	Q sort 20	Q sort 21	Q sort 22	Q sort 23	Q sort 24	Q sort 25
Items																									
36	3	2	1	4	0	2	4	2	5	4	1	1	0	5	4	-1	3	1	-2	1	3	2	0	1	-1
37	1	-1	0	-4	2	0	2	-2	2	4	-2	3	1	-2	-2	-3	1	4	2	3	-2	2	-1	-2	-4
38	5	4	4	-3	2	3	5	2	1	0	3	0	3	2	-3	4	0	2	-1	-3	-2	2	0	3	-3
39	2	3	0	4	4	4	1	-4	3	-4	0	2	4	0	0	4	0	-2	-2	4	0	-3	1	3	0
40	-2	0	-3	-3	-1	-1	-2	-1	0	2	2	0	-1	0	1	-3	-2	3	0	-1	1	0	3	1	1
41	-2	-3	-4	-1	1	0	-4	-3	-1	0	-2	-4	1	-5	-5	0	-4	-3	-3	1	-5	-1	-4	-2	-5
42	2	-5	0	-2	-4	2	2	-3	-2	-4	1	5	-3	0	0	-2	-2	2	-1	-4	-1	-3	1	0	-2
43	-1	-2	-1	-1	0	-2	-1	3	0	1	4	0	0	3	2	1	2	0	1	0	2	0	3	1	3
44	3	5	-2	-5	4	4	3	-3	3	-3	-3	1	5	-4	4	5	4	-2	0	3	4	-5	-4	-3	4
45	-5	-4	-4	-4	-5	-5	-5	5	-5	5	-1	-4	-5	-5	-1	-1	-5	-5	4	-4	-1	5	-3	-5	-1
46	-5	-4	0	5	5	5	-5	-5	4	-5	-2	2	5	-1	-3	5	5	0	-5	4	-4	-4	-5	-4	-5
47	-5	5	-5	5	4	-2	-5	-1	-4	-3	-3	-5	4	-4	-5	-2	-4	-3	-4	5	-5	-4	-4	-1	-5
48	2	3	0	-3	-1	-4	1	-4	-5	-3	-4	1	0	-1	1	-4	1	0	-4	-4	1	-2	-2	0	2
49	-2	0	0	-5	5	-3	-1	-5	0	-3	-3	-4	-4	-2	-4	3	-4	-2	-5	4	-4	-4	-1	-2	-1
50	-1	-4	-4	2	-2	4	-2	3	-4	-2	-4	-5	-4	-1	-5	5	-2	-4	-2	5	-5	-4	-5	-3	-4

In order to investigate the inter-relationship between the participants or the Q sorts, the data in Table 6.2 was correlated using Pearson product-moment correlation which reduced the data to an $n \times n$ matrix as illustrated in Table 6.3. These correlations enabled the researcher to identify the strength of the relationship between each of the Q sorts. The determination of the correlations reduced the 1250 data points in Table 6.2 to 300 correlation coefficients (see Table 6.3), thus illustrating the subsumptive power of correlation. The scores for the individual participants were inter-correlated with the scores of other participants, thereby resulting in a correlation matrix that showed which participants had sorted the statements similarly and dissimilarly and, thus, revealing either the similar or dissimilar experiences of the participants in alliances between TCs and HDIs.

As can be observed from Table 6.3, participant 1 correlated significantly and positively with the other participants:

$r_{1,3} = .42$; medium effect size; $p \leq .01$

$r_{1,7} = .91$; large effect size; $p \leq .001$

$r_{1,9} = .33$; medium effect size; $p \leq .01$

$r_{1,11} = .30$; medium effect size; $p \leq .01$

$r_{1,14} = .44$; medium effect size; $p \leq .01$

$r_{1,15} = .39$; medium effect size; $p \leq .01$

$r_{1,17} = .47$; medium effect size; $p \leq .01$

$r_{1,18} = .36$; medium effect size; $p \leq .01$

$r_{1,21} = .38$; medium effect size; $p \leq .01$

$r_{1,24} = .43$; medium effect size; $p \leq .01$

$r_{1,25} = .32$; medium effect size; $p \leq .01$

The highly significant positive correlation of 0.91 ($r_{1,7} = 0.91$) between participants 1 and 7, who happened to be black males and owners of HDIs, reflected marked similarities in their experiences of trust with their TC alliance partners.

Table 6.3: *Correlation Matrix*

Correlation	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25
1	-																								
2	.18*	-																							
3	.42**	.34**	-																						
4	-.22*	.17*	.015	-																					
5	.13*	.41**	.13*	.31**	-																				
6	.16*	.060	.013	.28*	.41**	-																			
7	.91***	.19*	.48**	-.22*	.20*	.19*	-																		
8	.17*	-.10*	.063	-.18*	-.38**	-.13*	.045	-																	
9	.33**	.16*	.10*	.27*	.43**	.62***	.38**	-.12*	-																
10	-.13*	-.14*	-.19*	-.010	-.23*	-.27*	-.048	.35**	.020	-															
11	.30**	.073	.50***	-.17*	-.098	-.15*	.30**	.21*	-.15*	-.045	-														
12	.27*	.29*	.34**	.060	.10*	.23*	.29*	-.22*	.39**	-.11*	.26*	-													
13	.078	.55***	.24*	.37**	.67***	.29*	.11*	-.34**	.27*	-.23*	-.015	.17*	-												
14	.44**	.25*	.65***	.095	-.11*	-.028	.44**	.16*	.095	-.023	.63***	.41**	-.003	-											
15	.39**	.26*	.33**	-.050	-.10*	-.12*	.42**	-.018	.090	.005	.45**	.47**	.073	.61***	-										
16	.11*	.37**	.16*	.26*	.56***	.35**	.17*	-.20*	.33**	-.28*	-.19*	.046	.47**	.044	.013	-									
17	.47**	.23*	.14*	.19*	.46**	.37**	.42**	-.090	.58***	-.078	.11*	.46**	.37**	.23*	.44**	.31**	-								
18	.36**	.36**	.42**	-.11*	.025	.018	.37**	-.088	.10*	-.17*	.44**	.47**	.14*	.55***	.55***	.018	.37**	-							
19	.13*	-.20*	-.073	-.35**	-.46**	-.15*	.17*	.48**	-.058	.39**	.25*	-.070	-.29*	.083	.16*	-.30**	-.18*	.008	-						
20	-.095	.31**	-.11*	.39**	.72***	.35**	-.060	-.28*	.29*	-.14*	-.30**	.058	.43**	-.15*	-.16*	.50***	.27*	-.015	-.36**	-					
21	.38**	.29*	.31**	-.060	-.085	-.13*	.40**	-.018	.063	.050	.47**	.48**	.080	.60***	.98***	.00	.44**	.52***	.17*	-.15*	-				
22	.11*	-.13*	.16*	-.16*	-.32**	-.12*	.19*	.44**	.088	.55***	.17*	-.023	-.23*	.24*	.053	-.27*	-.17*	-.003	.46**	-.38**	.078	-			
23	.28*	.19*	.54***	-.12*	-.13*	-.27*	.31**	.11*	-.19*	.11*	.67***	.36**	-.083	.59***	.54***	-.18*	.16*	.56***	.085	-.16*	.58***	.18*	-		
24	.43**	.44**	.52***	.075	-.015	-.063	.36**	.12*	-.003	-.008	.48**	.36**	.16*	.68***	.42**	.039	.25*	.45**	.013	-.13*	.46**	.018	.67***	-	
25	.32**	.27*	.28*	-.14*	-.11*	-.23*	.32**	-.038	-.050	-.025	.44**	.38**	.040	.52***	.91***	-.018	.32**	.46**	.15*	-.16*	.93***	.048	.57***	.40**	-

Notes: n = 25 Q sorts. *** $p \leq .001$; ** $p \leq .01$; * $p \leq .05$

In an effort to further illuminate the highly significant correlation of the Q sorts of participants 1 and 7, one may consider the way in which the two rated the 50 statements. As may be seen from Table 6.3, resemblances between Q sorts are reflected by the size of the correlation coefficient. On the other hand, the Q sorts of participants 5 and 19 showed a negative correlation of -0.46, thus revealing a dissimilarity between their experiences of trust in alliances between TCs and HDIs ($r_{5,9} = -0.46$). Although it was possible to identify the correlation coefficients, but the matrix is too large to enable the direct inspections that would have conveyed an immediate meaning about the similarity in the participants' experiences of trust in alliances between TCs and HDIs.

The correlation data matrix in Table 6.3 quantified the similarity and dissimilarity of how, in relation to each other, through their Q sorts, the 25 participants had experienced trust in alliances between HDIs and TCs within the South African empowerment setting. It must be noted that, to recognise the role of the statistics involved, did not imply overlooking the reality that each Q sort represents a vantage point and ipso facto the correlation coefficients that are suffused with subjectivity (Brown, 1983).

Nonetheless, the focus of Q methodology has never been on correlations between individuals' Q sorts in and of themselves as correlation is regarded as a halfway station or transitional phase between raw data and factor analysis (Brown, 1980; Stergiou & Airey, 2011). Correlations reveal which pairs of Q sorts resemble each other while factor analysis uncovers family resemblances for groups of Q sorts which appear to be similar (Brown, 1980; Watts & Stenner, 2014). According to Brown (1991), the correlation matrix is a means to an end as the actual focus is on the factors to which the correlation leads. Nevertheless, it needs to be emphasised that the high positive correlation between Q sorts 1 and 7 indicated that, even if there were to be factor rotation, the two would fall on the same factor. As will be seen later, the two participants ended up on the same group, namely, the one defining Factor F. Unsurprisingly, and as will be observed later, participants 5 and 19, who correlated -0.46, ended on different factor groups.

The following section contains a factor analysis of the correlation coefficient matrix illustrated in Table 6.3 in order to identify similar or dissimilar patterns among the participants.

6.3 Q SORT FACTOR ANALYSIS

The objective of subjecting the correlation data matrix to Q-sort factor analysis is to identify the natural groupings of Q sorts (research participants) by virtue of their being similar or dissimilar to one another (Paige & Morin, 2014). The achievement of this objective is based on the Q methodology tenet that maintains that, in Q factor analysis, persons are correlated across a sample of statements which they have rank ordered according to a condition of instruction. Accordingly, the variables are Q-sorts and not tests.

The method of factor analysis meant that the research participants classified themselves by virtue of their Q-sorts being either similar or dissimilar to each other. As Brown (1980) noted, persons who are like-minded on a topic will have similar Q sorts and they will both end up on the same factor. This was borne out by the Q sorts 1 and 7 and referred to earlier. The researcher did not classify participants 1 and 7 but instead they classified themselves on their own terms which then emerged as factors (Brown, 1980). Therefore, the factor scores reveal how clusters of people have grouped the statements in fundamentally similar and dissimilar ways, thus showing that the participants shared similar experiences (Ray, 2011). The factors represented the participants' experiences of trust in the alliances while the extent to which a participant was associated with each viewpoint was shown by his/her loading on the factor in question (McKeown & Thomas, 1988). It may be inferred from the preceding statement that the factors are first found and labelled *a posteriori*.

Before proceeding with factor analysis it may be worth pausing and re-examining the progress from the original data matrix of $n \times N$ dimensions ($n = 25$ and $N = 50$), as illustrated in Table 6.2, to the correlation data matrix of $n \times n$, as illustrated in Table 6.3. The correlation matrix labelled Table 6.3 was subjected to factor analysis and resulted in the factor matrix presented in Table 6.4 and which depicts the m factors and a matrix of $n \times m$ dimensions. The latter table indicates the extent to which each Q sort was associated with each factor. A cursory examination of Tables 6.1, 6.2, 6.3 and 6.4 reveals the reduction in the number of data entry points and the accompanying illumination of the meaning of what the data suggested. On the basis of the preceding statement it was possible to assert that progress had been and to acknowledge the subsumptive power of statistics in constructivist and qualitative research.

The extraction of factors was guided by certain statistical and theoretical criteria (Brown, 1980). As depicted in Table 6.4 the eigenvalue criterion for factor extraction was employed in the principal-components solution. The principal-components method was preferred because it tends to maximise the variance of each factor (Brown, 1980). It is important to remember that while, generally, the eigenvalues are the sum of the squared factor loadings for each factor and that the percentage of total variance accounted for by each factor is equal to the eigenvalue divided by the number of variates in the matrix, in Q methodology the variates are the n persons whose responses have been factored (Brown, 1980).

Table 6.4: *Total Variance Explained*

Component (Factor)	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1 (A)	6.789	27.155	27.155	6.789	27.155	27.155	4.236	16.945	16.945
2 (B)	4.935	19.738	46.894	4.935	19.738	46.894	3.598	14.392	31.337
3 (C)	2.197	8.787	55.680	2.197	8.787	55.680	3.392	13.567	44.905
4 (D)	1.611	6.443	62.123	1.611	6.443	62.123	2.590	10.360	55.264
5 (E)	1.484	5.935	68.058	1.484	5.935	68.058	2.415	9.661	64.925
6 (F)	1.166	4.663	72.721	1.166	4.663	72.721	1.949	7.796	72.721
7	.848	3.392	76.113						
8	.782	3.126	79.240						
9	.749	2.996	82.236						
10	.706	2.826	85.062						
11	.610	2.441	87.503						
12	.489	1.958	89.460						
13	.465	1.860	91.320						
14	.402	1.610	92.930						
15	.367	1.466	94.396						
16	.304	1.217	95.613						
17	.261	1.043	96.656						
18	.227	.908	97.564						
19	.219	.876	98.440						
20	.130	.520	98.960						
21	.105	.419	99.380						
22	.068	.274	99.653						
23	.042	.170	99.823						
24	.035	.139	99.962						
25	.010	.038	100.000						

Extraction method: principal component analysis.

Eigenvalues represent the amount of variation accounted for by the corresponding factor. The size of the eigenvalues is used to arrange the factors according to their significance with those factors with eigenvalues greater than 1.00 being regarded as significant and those with lesser value regarded as too weak to merit attention (Brown, 1980; Watts & Stenner, 2014). Factors may also be accepted because they have at least two significant factor loading, a criterion that this data met (Brown, 1980; Watts & Stenner, 2014). However, Brown (1980) is critical of such

conventions and is of the view that the size should not be equated with significance. In his view such conventions are arbitrary and substantively meaningless. It must also be admitted that, occasionally, they do not make sense statistically.

In Table 6.4, the eigenvalue for Factor A was 6.78 with a total variance of 27%. This means that 27% of the total variability in the correlation matrix was accounted for by Factor A. An eigenvalue of 6.78 is considered significant and, therefore, Factor A appeared to represent a common experience shared by a number of Q sorts or participants.

Factor B was also significant because it had an eigenvalue of 4.93 and accounted for 19% of the total variability in the correlation matrix. Thus, this factor appeared to represent the experiences shared by a number of Q sorts. The eigenvalue criterion also qualified Factors C, D, E and F to be regarded as significant because they had eigenvalues in excess of 1.00 (see Table 6.5).

Table 6.5: *Factors with Eigenvalues Greater than 1.00*

Factor	Eigenvalue	% of Variance	Cumulative %
A	6.789	27.155	27.155
B	4.935	19.738	46.894
C	2.197	8.787	55.680
D	1.611	6.443	62.123
E	1.484	5.935	68.058
F	1.166	6.443	72.721

The size of each Q sort's association with its factor is provided in Table 6.6. . It is, thus, clear that, while a factor is defined by a group of Q sorts, factors undoubtedly vary in their contribution or association with the factor. In other words, the variates for the same factor may differ in terms of either their size or the significance to the factor. This made it essential to develop a more insightful understanding of the differences in the trust experiences between individuals who belonged to the same factor. For example, the Q sorts that were associated with or defined Factor A were 3, 14, 24, 23, 11 and 18 (see Table 6.6). The correlation index indicates the extent to which these trust experiences were associated with this factor. In order to clarify the importance of each Q sort in relation to the associated factor, factor scores were calculated. These factor scores enabled a closer examination of the trust experiences as exemplified by the

six factors identified. In other words, factor scores were utilised to provide a deeper understanding of the unveiled of trust in the alliances between TCs and HDIs.

Table 6.6: *Factor Loading Matrix*

Q sort	Factors					
	A	B	C	D	E	F
3	.818	-.016	.170	.062	-.021	.200
14	.806	.313	-.022	.144	.127	.047
24	.782	.215	.149	-.017	.063	.032
23	.737	.402	-.092	-.153	.079	-.005
11	.704	.241	-.176	-.101	.066	.141
18	.549	.438	.020	.136	-.177	.136
21	.338	.908	.020	.042	.068	.097
15	.330	.892	-.002	.069	.035	.126
25	.285	.887	.006	-.111	.004	.123
5	-.053	-.080	.794	.287	-.247	.049
13	.098	.048	.775	.130	-.163	-.064
16	-.043	-.041	.714	.168	-.168	.134
2	.333	.210	.696	-.083	-.032	-.004
20	-.204	-.050	.692	.206	-.192	-.186
9	-.063	.041	.267	.861	.116	.096
6	-.057	-.211	.198	.766	-.160	.057
17	.072	.443	.329	.604	-.076	.156
12	.380	.438	-.034	.518	-.184	-.096
10	-.133	.113	-.085	-.033	.815	-.237
22	.181	-.050	-.239	.082	.771	.049
8	.155	-.160	-.179	-.127	.671	.189
19	-.053	.158	-.327	-.090	.621	.285
1	.363	.177	.100	.317	.079	.759
7	.350	.201	.145	.339	.120	.741
4	.089	-.096	.378	.330	-.014	-.650

Notes:

Extraction Method: Principal Component Analysis.

Rotation Method: Varimax with Kaiser Normalisation.

a. Rotation converged in 7 iterations.

It is clear from Table 6.6 that a six-factor solution was found. Only the factor loadings above 0.50 were considered significant. The six factors were essentially the six groups of participants whose Q sorts exemplified Factor A to Factor F. Using Q sort (participant) 3 as an example, it may be seen from Table 6.6 that she had a loading of 0,818. This indicated that $0,818^2 = 67\%$ of

her responses was associated with Factor A while $-0,016^2 = -0,026\%$ of her response was associated with Factor B. Table 6.6 shows the extent to which the individual Q sorts or participants correlated with the six factors. Participant or Q sort 3 correlated significantly with Factor A to the extent of 0,818 but less with the other five factors.

Table 6.6 further shows that the Q sorts that were associated with or defined Factor A (sincerity trust alliances driven by integrity anchored primarily on the TC partners' honesty) included 3, 14, 24, 23, 11 and 18. Q sorts 3, 14, 24, 23, 11 and 18 were correlated with Factor A to the extent of 0.818, 0.806, 0.782, 0.737, 0.704 and 0.549 respectively. It may, thus, be stated that the individuals represented by these Q sorts had shared similar experiences regarding trust in alliances between TCs and HDIs and, therefore, there was a family resemblance. The different families, clusters or factors were labelled according to the sorting of the statements, thus reflecting the participants' subjective viewpoints which acquired meaning *a posteriori*. Table 6.7 presents a summary of the factors and the labels.

However, Table 6.6 revealed that Q sorts 21, 15 and 25 were associated with Factor B (values trust alliances driven by the belief that the partners adhered to values held in esteem and that trust was the foundation of these alliances) to the extent of 0.908, 0.892 and 0.887 respectively. The three Q sorts demonstrated a family resemblance by virtue of sharing similar experiences regarding trust in alliances between TCs and HDIs.

Q sorts 5, 13, 16, 2 and 20 (0.794, 0.775, 0.714, 0.696 and 0.692) respectively defined Factor C (duped trust alliances driven by the belief that the TC partners were deceitful and were using/had used the alliances as a façade for black economic empowerment). Another group of Q sorts that with a family resemblance were Q sorts 9, 6, 17 and 12 which were associated with Factor D (vigilant trust alliances driven by the belief that formal contracts were essential as a safeguard against opportunism on the part of the TC partners to the extent of 0.861, 0.766, 0.604 and 0.518 respectively. The fifth group, comprising Q sorts 10, 22, 8 and 19, were associated with Factor E (deceitful trust alliances driven by the focal TCs' desire to use their HDI partners to open political doors and acquire contracts to suit self-interest) to the extent of 0.815, 0.771, 0.671 and 0.621 respectively. The latter four participants had had similar experiences regarding trust in alliances between TCs and HDIs.

Only three Q sorts defined Factor F (inclination to trust alliances driven by the high propensity to trust on the part of the focal HDIs). These were Q sorts 1, 7 and 4 which were associated with Factor F to the extent of 0.759, 0.714 and -0.650 respectively. However, Factor F revealed a bipolarity between Q sorts 1 and 7 on the one hand and 4 on the other, with the latter representing the negative pole of the factor. In other words, Factor F comprised a grouping with similar responses (1 and 7) but with the exception of respondent 4 because of her strong negative loading on this factor. This strong negative loading denoted an opposite experience to those of respondents 1 and 7 who were two other Factor F members.

To recapitulate, it became clear from Table 6.6 that all the 25 Q sorts were loaded on one of the six main factors as the six factors and their respective Q sorts had been identified. In other words, twenty-five perspectives were expressed by 25 the participants and based on the discourse on trust in business alliances between TCs and HDIs. The -five perspectives condensed around six operant types or factors. Each of the six factors uncovered the participants' experiences of trust in business alliances between TCs and HDIs in the South African economic empowerment domain. The six factors were significant because they epitomised the categories or what one may loosely refer to as models of the participants' experiences of trust in business alliances between TCs and HDIs.

Table 6.7: *Factors and their Labels*

Factor	Label and description
A	Sincerity trust alliances driven by integrity anchored mainly in the predominantly TC partners' honesty
B	Values trust alliances driven by the belief that the partners adhere to the values held in esteem and that trust is the foundation of the alliances
C	Duped trust alliances driven by the belief that the TC partners are deceitful and use the alliances as a façade for black economic empowerment
D	Vigilant trust alliances driven by the belief that formal contracts are essential to safeguard against opportunism on the part of the TC partners
E	Deceitful trust alliances driven by the focal TCs' desire to use HDI partners to open political doors and to acquire contracts to suit self-interest
F	Inclination to trust alliances driven by high propensity to trust of the focal HDIs

6.4 Q SORT FACTOR SCORES

As has already been stated in Q methodology factor interpretation involves the systematic examination of the statements that define a factor. Brown (1980) defined a factor score as an average of the scores given to a particular statement by all of the Q sorts defining the factor. However, as already explained, while determining factor scores involves determining the average of the scores, the procedure is more complex than the latter assertion suggests. This procedure is elaborated on in later discussions. However, first the rationale for using factor scores is briefly discussed. This is followed by the computation of the factor arrays and the reliability of the factors. Lastly, the six factors are interpreted.

6.4.1 The rationale for factor arrays

Factors and their respective loadings are essential for the computation of factor scores. Finding a factor score is similar to finding a composite Q sort for a group of Q sorts. In order to illustrate the point using all six constituent Q sorts for Factor A, figures 6.2a to 6.2f represent Q sorts 3, 11, 14, 18, 23 and 24 respectively. For example, it may be noted from Table 6.6 that Q sorts 3 and 14 were associated with factor A to the extent of 0.818 and 0.806 respectively but that the Q sorts were neither identical nor were they duplicates. The fact that the Q sorts were not duplicates revealed that the participants had scored the statements differently. In fact, by merely glancing over the six Q sorts, it was possible to recognise that they were not duplicates. Accordingly, merging the six Q sorts and calculating their average would have yielded an imprecise picture which may have been misleading. As will be illustrated in the next section it is for this reason that Q methodology relies on a procedure that takes into account each Q sort's degree of association with the factor when determining the factor scores.

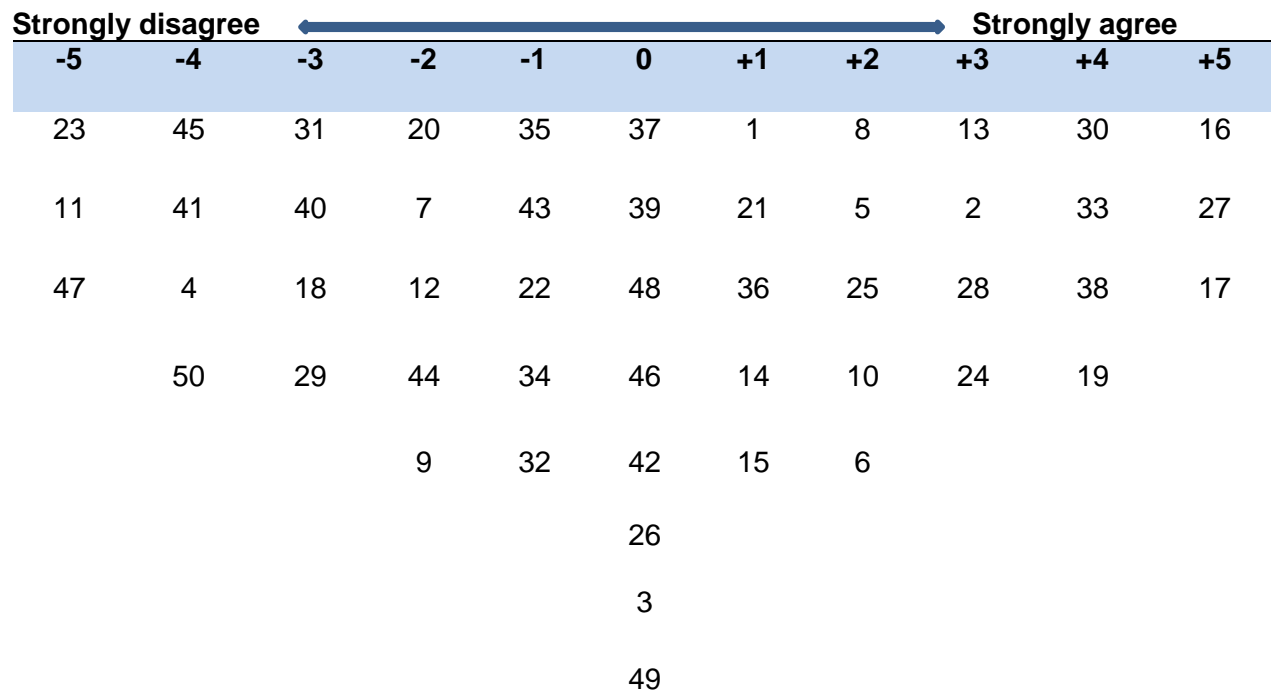


Figure 6.2a: Q sort 3

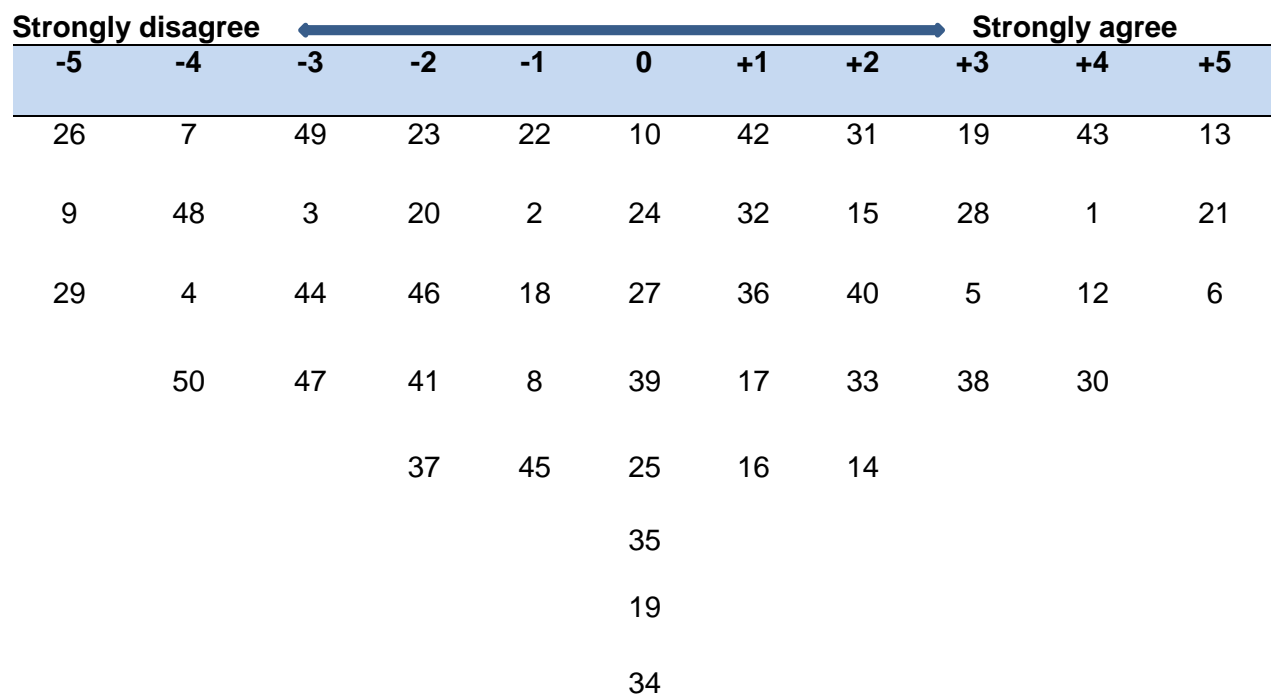


Figure 6.2b: Q sort 11

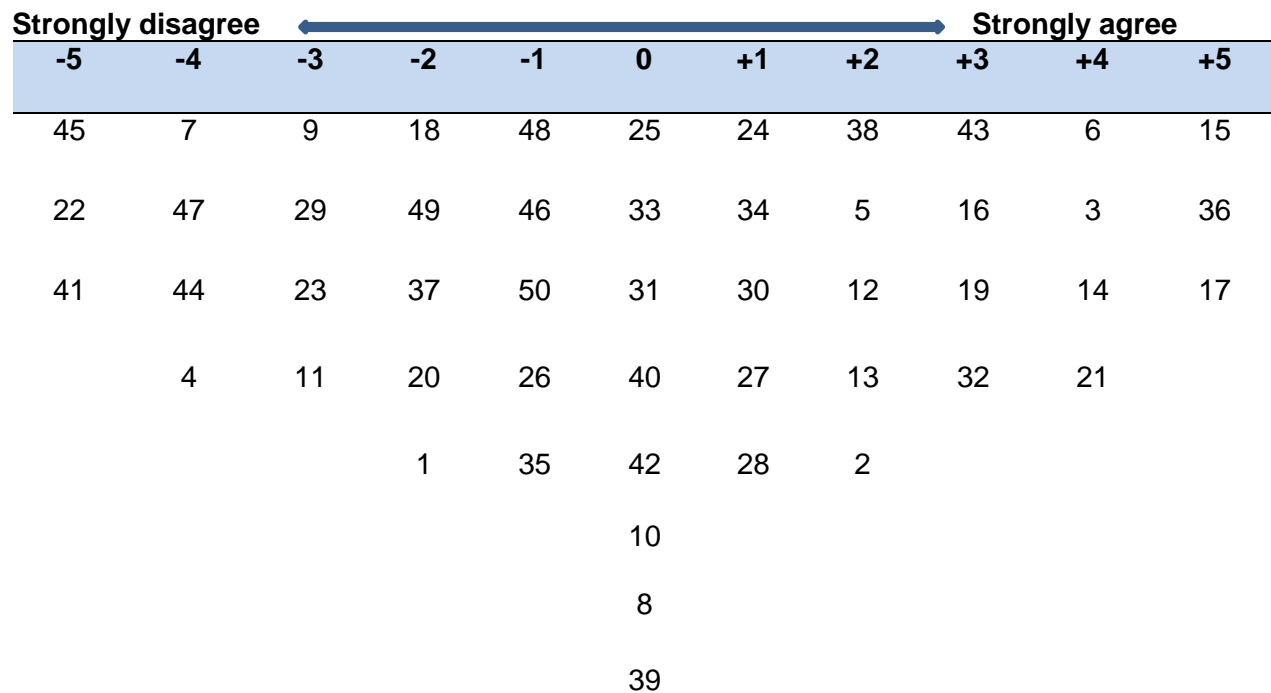


Figure 6.2c: Q sort 14

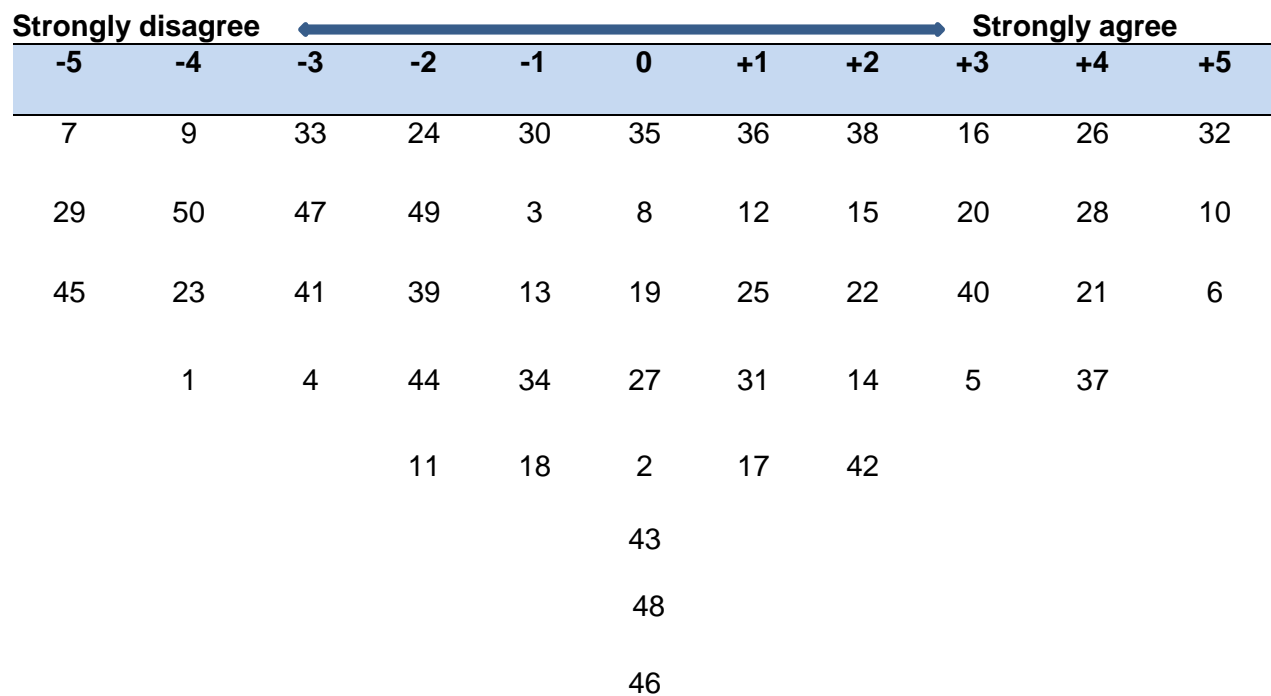


Figure 6.2d: Q sort 18

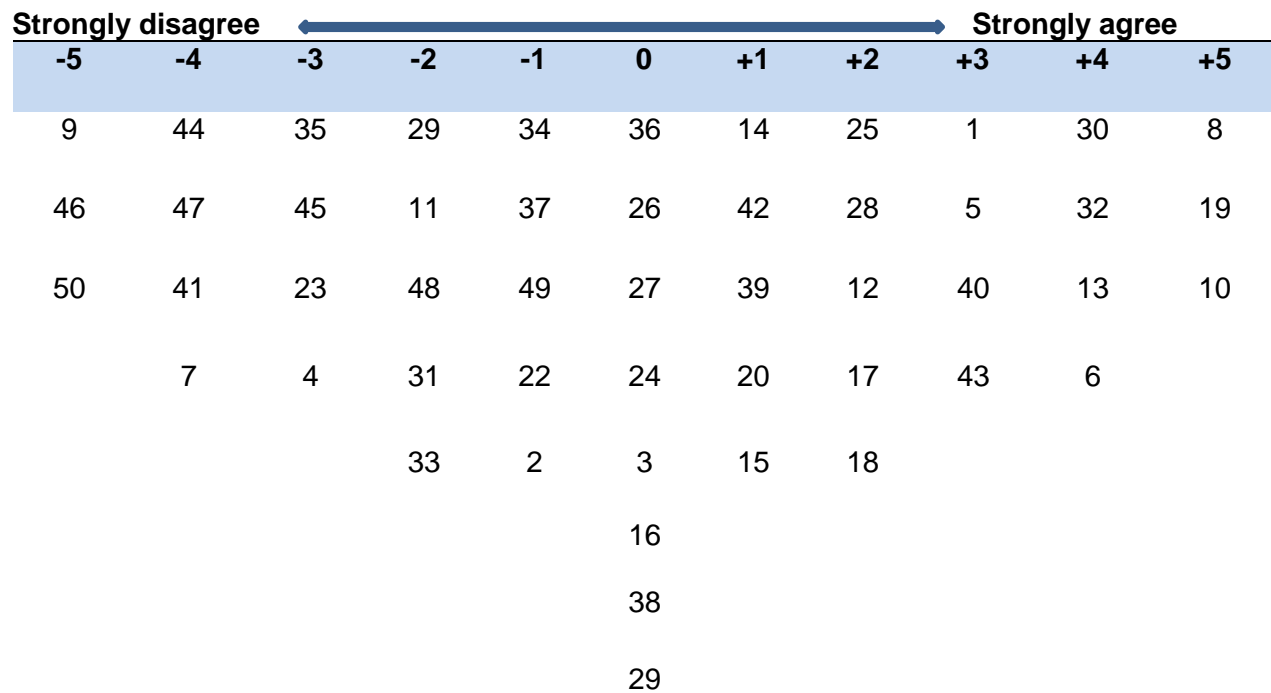


Figure 6.2e. Q sort 23

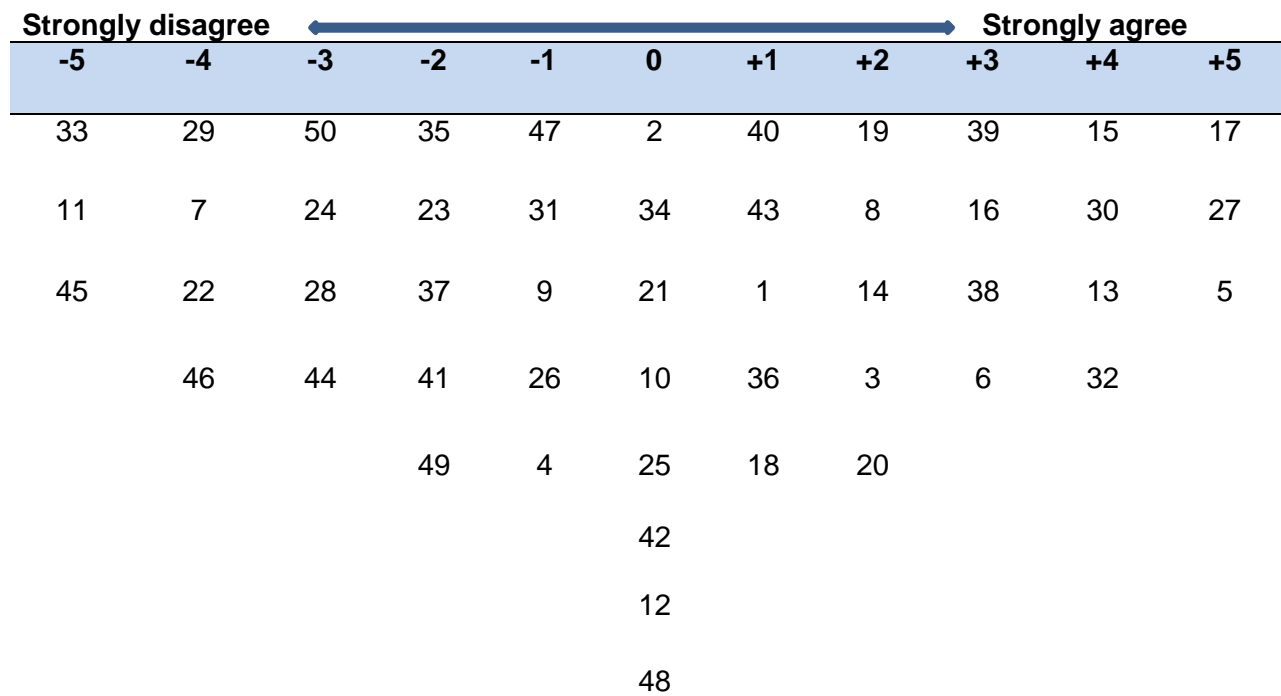


Figure 6.2f. Q sort 24

6.4.2 Computing factor arrays

Computing factor arrays requires weighting Q sorts according to the extent of their association with the factor in question. The weighting procedure involves dividing each factor loading (f) by the expression 1 minus the square of the factor loading:

$$= f / 1 - f^2$$

where f is the factor loading and W is the weight.

Regarding the Q sort of participant 3 from Table 6.4, $f_3 = 0.818$, the weight is as follows:

$$W_3 = 0.818 / 1 - 0.818^2$$

$$W_3 = \mathbf{2.47}$$

The weights for the remaining of the participants' Q sorts associated with Factor A are presented in Table 6.8. The weights depicted in Table 6.8, together with the raw scores presented in Table 6.2, provide the fundamentals for determining factor scores. Beginning with Factor A and its constituent Q sorts, Table 6.9 presents Factor A's scores. As may be seen from Table 6.9, with regard to the computation of the Factor A scores, only the raw scores of Factor A's constituent Q sorts, 3, 11, 14, 18, 23 and 24, were relevant. Similarly, and as will become clearer later, only the raw scores of Factor B's constituent Q sorts, 15, 21 and 25, were relevant to the computation of the Factor B scores. The same applied to the computation of the factor scores for the remaining factors. As is evident from Factor A, as depicted in Table 6.9, the absolute value of the reciprocal of the largest weight $|1 \div WL| = 1/2.47 = 0.40$ was found. Each weight was then multiplied with this value of 0.40. Using participant 3's Q sort as an example, $2.47(0.40) = 0.99$. The decimal was then moved one place to the right and rounded to the nearest whole number, namely, 10. This procedure was followed for the remaining Q sorts.

Table 6.8: *Factor A Q Sorts, Factor Loadings and Weights*

Q Sort	Factor Loading	Weight
3	0.818	2.47
14	0.806	2.30
24	0.782	2.02
23	0.737	1.61
11	0.704	1.39
18	0.549	0.79

Table 6.9: *Computation of Factor Weights*

Defining Subjects	Factor Loading (f)	$f/1 - f^2$	$ 1 \div WL $	$W 1 \div WL $	Rounded (x 10)
Factor A					
3	0.818	2.47	0.40	0.99	10
14	0.806	2.30		0.92	9
24	0.782	2.01		0.80	8
23	0.737	1.61		0.64	6
11	0.704	1.40		0.56	6
18	0.549	0.80		0.32	3
Factor B					
21	0.908	5.17	0.19	0.98	10
15	0.892	4.40		0.84	8
25	0.887	4.15		0.79	8
Factor C					
5	0.794	2.15	0.50	1.08	11
13	0.775	1.94		0.97	10
16	0.714	1.50		0.75	8
2	0.696	1.35		0.68	7
20	0.692	1.34		0.67	7
12	0.518	0.71		0.21	2

Defining Subjects	Factor Loading (<i>f</i>)	$f/1 - f^2$	$ 1 \div WL $	$W 1 \div WL $	Rounded (x 10)
Factor D					
9	0.861	3.33	0.30	0.99	10
6	0.766	1.90		0.57	6
17	0.604	0.95		0.28	3
12	0.518	0.71		0.21	2
Factor E					
10	0.815	2.43	0.40	0.97	10
22	0.771	1.90		0.76	8
8	0.671	1.22		0.49	5
19	0.621	1.01		0.40	4
Factor F					
1	0.759	1.80	0.56	1.01	10
7	0.741	1.64		0.92	9
4	-0.650	-0.46		-0.26	-3

It can be noted that from Table 6.9, Factor A, that participant 3's Q sort was assigned a weight of $W_3 = 10$. Accordingly, each raw score that fall under Factor A in Table 6.2 was multiplied by 10 (see Table 6.10). Table 6.10 illustrates that the Q sort of participant 3, item **17** received a raw score of 11 (given in Table 6.2) which resulted in the weighted score $11(10) = 110$. An Excel spreadsheet was used to calculate the Factor A scores as presented in Table 6.10. In addition, a constituent of Factor A, the Q sort of participant 11, received a weight of $W_{11} = 6$. For Q sort 11 item **17** received a raw score of 7 with this translating into $7(6) = 42$.

Table 6.10: Factor A Scores (Sincerity Trust Alliances)

Q Sort	3	11	14	18	23	24	Total	z	Rounded off Column
Weight	10	6	9	3	6	8			
Items	Raw Data X Weight								
17	110	42	99	21	48	88	408	1.61	5
6	80	66	90	33	60	72	401	1.54	5
19	100	54	81	18	66	64	383	1.35	5
13	90	66	72	15	60	80	383	1.35	4
30	100	60	63	15	60	80	378	1.30	4
5	80	54	72	27	54	88	375	1.27	4
16	110	42	81	27	36	72	368	1.20	4
15	70	48	99	24	42	80	363	1.14	3
38	100	54	72	24	36	72	358	1.09	3
27	110	36	63	18	36	88	351	1.02	3
32	50	42	81	33	60	80	346	0.97	3
21	70	66	90	30	36	48	340	0.91	2
14	70	48	90	24	42	64	338	0.89	2
36	70	42	99	21	36	56	324	0.74	2
43	50	60	81	18	54	56	319	0.69	2
10	80	36	54	33	66	48	317	0.67	2
8	80	30	54	18	66	64	312	0.62	1
28	90	54	63	30	48	24	309	0.59	1
12	40	60	72	21	48	48	289	0.38	1
2	90	30	72	18	30	48	288	0.37	1
25	80	36	54	21	48	48	287	0.36	1
3	60	18	90	15	36	64	283	0.32	0
1	70	60	36	6	54	56	282	0.31	0
39	60	36	54	12	42	72	276	0.25	0
42	60	42	54	24	42	48	270	0.19	0
40	30	48	54	27	54	56	269	0.18	0
24	90	36	63	12	36	24	261	0.09	0
33	100	48	54	9	24	8	243	-0.09	0
34	50	36	63	15	30	48	242	-0.10	0
20	40	24	36	27	42	64	233	-0.20	-1
31	30	48	54	21	24	40	217	-0.36	-1
26	60	6	45	30	36	40	217	-0.36	-1
18	30	30	36	15	48	56	215	-0.38	-1
37	60	24	36	30	30	32	212	-0.41	-1
48	60	12	45	18	24	48	207	-0.46	-2

Q Sort	3	11	14	18	23	24	Total	<i>z</i>	Rounded off Column
Weight	10	6	9	3	6	8			
Items	Raw Data X Weight								
35	50	36	45	18	18	32	199	-0.55	-2
49	60	18	36	12	30	32	188	-0.66	-2
46	60	24	45	18	6	16	169	-0.86	-2
22	50	30	9	24	30	16	159	-0.96	-2
9	40	6	27	6	6	40	125	-1.31	-3
44	40	18	18	12	12	24	124	-1.32	-3
4	20	12	18	9	18	40	117	-1.39	-3
23	10	24	27	6	18	32	117	-1.39	-3
11	10	36	27	12	24	8	117	-1.39	-4
50	20	12	45	6	6	24	113	-1.43	-4
47	10	18	18	9	12	40	107	-1.50	-4
29	30	6	27	3	24	16	106	-1.51	-4
41	20	24	9	9	12	32	106	-1.51	-5
7	40	12	18	3	12	16	101	-1.56	-5
45	20	30	9	3	18	8	88	-1.69	-5
Total							12600.00	0.00	
Mean							252.00		
Std							96.97		

The values of the weighted scores were summed and reported in the total column. For example, the total of the score for Factor A's item **17**, as depicted in Table 6.10, was 408 (110 + 42 + 99 + 21 + 48 + 88); 401 for item **6**; 383 for item **19**, etc. As was illustrated in Table 6.8, the six factors contained different number of participants, thus producing item totals of varying magnitudes. For example, Factor A comprised 6 participants and Factors B and C 3 and 5 participants respectively. In order to enable comparability of the scores for the same items across the factors, the total column was normalised by converting each item total to the score using the following formula:

$$z_{17} = \frac{T - X_T}{S_T}$$

For item 17 this translated into the following:

$$z_{17} = \frac{408 - 252}{96.97}$$

$$z_{17} = 1.61$$

In this way, the arbitrary effect of the number of participants associated with each factor and the effect of their differing factor weights were eliminated. In terms of Table 6.10 and focusing on Factor A scores, item **17** had a total of 408 and a *z* score of 1.61 and item **6** a total of 401 and a *z* score of 1.54. In order to complete Table 6.10 the rounded values were determined by using the *z* scores to select those three items with the highest scores and assigning (+5). The four next highest items were then selected and assigned a score of (+4). This procedure was followed until the lowest three items were identified and assigned a value of (-5). In terms of Table 6.10, when the Q sorts for the participants that comprised Factor A were merged, items **17, 6** and **19** scored the highest with the value of (+5), followed by items **13, 30, 5** and **16** with the value of (+4). The lowest three items were **45, 7** and **41**.

The distribution used for the last column in Table 6.10 corresponded with the original Q sort distribution marker, depicted as follows (also used for Factors B, C, D, E and F, there were 3 spaces for (-5) and (+5); 4 spaces for (-4) and (+4):

-5	-4	-3	-2	-1	0	+1	+2	+3	+4	+5
3	4	4	5	5	8	5	5	4	4	3

In concluding the discussion on computing factor scores, it must be reiterated that, in Q methodology, the primary focus is on the statements. The factor scores that each statement receives is an indication of an attitude in operation (Brown, 1980). Accordingly, the focus was on the factors as they represented the domain of experiences which may arise in cases in which trust in alliances between TCs and HDIs in South Africa is an issue.

The same procedure was followed for calculating the factor scores of the other five factors. Tables 6.11, 6.12, 6.13, 6.14 and 6.15 present the factor arrays for Factors B, C, D, E and F respectively. For example, it may be seen from Table 6.11 that, for Factor B, the same item **17** had total values of 234 and a *z* score of 1.07.

Table 6.11: *Factor B (Values Trust Alliances)*

Q sort	15	21	25	Total	z	Rounded
Weight	8	10	8			
Items	Raw Data X Weight					
21	88	110	88	286	1.78	5
8	88	110	88	286	1.78	5
15	88	110	72	270	1.56	5
14	72	100	88	260	1.43	4
12	80	100	80	260	1.43	4
44	80	100	80	260	1.43	4
6	72	100	80	252	1.32	4
32	80	90	80	250	1.29	3
17	72	90	72	234	1.07	3
10	72	90	72	234	1.07	3
43	64	80	72	216	0.82	3
36	80	90	40	210	0.74	2
19	64	80	64	208	0.71	2
31	64	80	64	208	0.71	2
35	64	80	64	208	0.71	2
3	64	80	56	200	0.60	2
48	56	70	64	190	0.47	1
40	56	70	56	182	0.36	1
24	56	70	56	182	0.36	1
18	48	70	64	182	0.36	1
22	56	70	56	182	0.36	1
28	56	60	48	164	0.11	0
2	48	60	56	164	0.11	0
25	48	60	48	156	0.00	0
39	48	60	48	156	0.00	0
34	48	60	48	156	0.00	0
20	48	60	48	156	0.00	0
13	40	60	48	148	-0.11	0
30	40	60	48	148	-0.11	0
16	48	50	48	146	-0.14	-1
1	40	50	40	130	-0.36	-1
42	48	50	32	130	-0.36	-1
45	40	50	40	130	-0.36	-1
27	40	50	32	122	-0.47	-1
5	32	40	32	104	-0.71	-2
26	32	40	32	104	-0.71	-2
4	32	40	32	104	-0.71	-2
7	24	30	40	94	-0.85	-2

Q sort	15	21	25			
Weight	8	10	8	Total	z	Rounded
Items	Raw Data X Weight					
38	24	40	24	88	-0.93	-2
37	32	40	16	88	-0.93	-3
9	32	30	24	86	-0.96	-3
49	16	20	40	76	-1.10	-3
33	24	20	24	68	-1.21	-3
23	16	30	16	62	-1.29	-4
29	16	30	16	62	-1.29	-4
11	16	20	24	60	-1.32	-4
46	24	20	8	52	-1.43	-4
50	8	10	16	34	-1.67	-5
47	8	10	8	26	-1.78	-5
41	8	10	8	26	-1.78	-5
Total				7800.00	0.00	
Mean				156.00		
Std				72.85		

Table 6.12: *Factor C (Duped Trust Alliances)*

Q sort	2	5	13	16	20			
Weight	7	11	10	8	7	Total	<i>z</i>	Rounded
Items	Raw Data X Weight							
22	77	121	110	80	70	458	2.07	5
44	77	110	110	88	63	448	1.96	5
39	63	110	100	80	70	423	1.70	5
46	14	121	110	88	70	403	1.49	4
47	77	110	100	32	77	396	1.42	4
16	70	99	90	80	42	381	1.27	4
5	70	88	90	72	56	376	1.21	4
24	56	110	80	64	63	373	1.18	3
27	70	77	100	72	35	354	0.98	3
6	56	99	80	40	77	352	0.96	3
38	70	88	90	80	21	349	0.93	3
35	35	99	90	56	56	336	0.80	2
4	35	99	70	64	63	331	0.74	2
49	42	121	20	72	70	325	0.68	2
26	56	77	70	64	56	323	0.66	2
3	49	55	60	72	56	292	0.34	2
25	49	66	60	64	42	281	0.22	1
37	35	88	70	24	63	280	0.21	1
36	56	66	60	40	49	271	0.12	1
7	21	77	80	48	42	268	0.09	1
41	21	77	70	48	49	265	0.06	1
2	56	22	100	48	35	261	0.02	0
17	49	66	80	56	7	258	-0.01	0
19	42	66	60	48	42	258	-0.01	0
28	28	88	50	40	49	255	-0.05	0
43	28	66	60	56	42	252	-0.08	0
14	42	66	70	24	49	251	-0.09	0
12	49	55	50	64	28	246	-0.14	0
34	63	55	40	32	56	246	-0.14	0
50	14	44	20	88	77	243	-0.17	-1
30	42	66	60	32	42	242	-0.18	-1
29	21	77	30	56	49	233	-0.28	-1
10	49	33	60	48	42	232	-0.29	-1
8	35	44	50	48	42	219	-0.42	-1
31	35	33	80	48	21	217	-0.44	-2
1	7	88	80	16	21	212	-0.49	-2
48	63	55	60	16	14	208	-0.54	-2
40	42	55	50	24	35	206	-0.56	-2

Q sort	2	5	13	16	20			
Weight	7	11	10	8	7	Total	z	Rounded
Items	Raw Data X Weight							
15	28	66	20	56	35	205	-0.57	-2
13	63	33	30	32	28	186	-0.76	-3
21	42	44	40	48	7	181	-0.82	-3
18	28	44	50	24	35	181	-0.82	-3
20	42	33	20	40	28	163	-1.00	-3
9	28	22	40	40	21	151	-1.13	-4
23	21	44	40	16	28	149	-1.15	-4
32	42	22	30	16	28	138	-1.26	-4
42	7	22	30	32	14	105	-1.61	-4
45	14	11	10	40	14	89	-1.77	-5
33	7	11	10	8	14	50	-2.18	-5
11	14	11	10	8	7	50	-2.18	-5
Total						12972	0.00	
Mean						259		
Std						96		

Table 6.13: *Factor D (Vigilant Trust Alliances)*

Q sort	6	9	12	17			
Weight	6	10	2	3	Total	z	Rounded
Items	Raw Data X Weight						
4	66	110	10	33	219	1.88	5
22	60	100	22	33	215	1.80	5
46	66	100	16	33	215	1.80	5
17	54	110	14	30	208	1.66	4
26	66	100	16	24	206	1.62	4
15	54	100	20	27	201	1.52	4
36	48	110	14	27	199	1.48	4
44	60	90	14	30	194	1.38	3
39	60	90	16	18	184	1.18	3
35	48	90	10	30	178	1.05	3
24	54	90	18	9	171	0.91	3
14	42	80	20	24	166	0.81	2
6	42	70	18	30	160	0.69	2
37	36	80	18	21	155	0.59	2
38	54	70	12	18	154	0.57	2

Q sort	6	9	12	17			
Weight	6	10	2	3	Total	<i>z</i>	Rounded
Items	Raw Data X Weight						
20	30	80	16	24	150	0.49	2
34	30	70	16	21	137	0.22	1
16	36	60	14	18	128	0.04	1
33	36	80	8	3	127	0.02	1
3	18	70	20	18	126	0.00	1
27	42	60	8	15	125	-0.02	1
30	36	50	12	27	125	-0.02	0
25	12	70	18	24	124	-0.04	0
42	48	40	22	12	122	-0.08	0
43	24	60	12	24	120	-0.12	0
29	48	50	6	15	119	-0.14	0
9	18	80	6	15	119	-0.14	0
32	48	40	12	18	118	-0.16	0
40	30	60	12	12	114	-0.24	0
7	36	60	2	9	107	-0.38	-1
12	12	60	8	27	107	-0.38	-1
28	36	40	8	21	105	-0.43	-1
23	42	50	4	9	105	-0.43	-1
5	24	50	8	18	100	-0.53	-1
13	42	30	22	6	100	-0.53	-2
41	36	50	4	6	96	-0.61	-2
50	60	20	2	12	94	-0.65	-2
1	30	30	10	21	91	-0.71	-2
49	18	60	4	6	88	-0.77	-2
18	6	40	20	18	84	-0.85	-3
2	24	40	12	3	79	-0.95	-3
8	24	30	10	15	79	-0.95	-3
21	18	30	12	15	75	-1.03	-3
31	30	20	12	12	74	-1.05	-4
48	12	10	14	21	57	-1.40	-4
47	24	20	2	6	52	-1.50	-4
10	12	20	6	12	50	-1.54	-4
19	6	10	10	18	44	-1.66	-5
45	6	10	4	3	23	-2.09	-5
11	36	60	6	9	111	-0.30	-5
Total					6300.00	0.00	
Mean					126.00		
Std					49.35		

Table 6.14: *Factor E (Deceitful Trust Alliances)*

Q sort	8	10	19	22	Total	z	Rounded
Weight	5	10	4	8			
Items	Raw Data X Weight						
45	55	110	40	88	293	0.03	5
11	35	110	44	88	277	0.01	5
23	55	100	32	80	267	-0.01	5
25	50	80	32	72	234	-0.05	4
24	5	110	32	80	227	-0.06	4
36	40	100	16	64	220	-0.07	4
12	30	90	28	72	220	-0.07	4
37	20	100	32	64	216	-0.07	3
34	50	80	36	40	206	-0.09	3
32	50	60	40	56	206	-0.09	3
14	35	70	28	72	205	-0.09	3
4	25	70	28	80	203	-0.09	2
3	35	70	24	72	201	-0.09	2
26	30	90	16	64	200	-0.10	2
33	55	10	44	88	197	-0.10	2
35	50	70	44	32	196	-0.10	2
27	45	60	40	48	193	-0.10	1
19	35	90	12	56	193	-0.10	1
8	40	80	24	48	192	-0.11	1
43	45	70	28	48	191	-0.11	1
1	30	80	28	48	186	-0.11	1
38	40	60	20	64	184	-0.12	0
5	40	60	40	40	180	-0.12	0
40	25	80	24	48	177	-0.13	0
18	20	90	24	40	174	-0.13	0
21	35	40	36	56	167	-0.14	0
13	45	50	20	48	163	-0.14	0
17	30	40	8	80	158	-0.15	0
7	30	60	20	48	158	-0.15	0
10	20	50	32	56	158	-0.15	-1

Q sort	8	10	19	22			
Weight	5	10	4	8	Total	<i>z</i>	Rounded
Items	Raw Data X Weight						
16	40	40	12	64	156	-0.15	-1
9	30	100	16	8	154	-0.16	-1
29	25	60	20	48	153	-0.16	-1
30	30	60	24	32	146	-0.17	-1
2	10	50	24	56	140	-0.17	-2
15	20	50	36	32	138	-0.18	-2
41	15	60	12	48	135	-0.18	-2
20	25	40	24	32	121	-0.20	-2
6	15	50	12	40	117	-0.20	-2
50	45	40	16	16	117	-0.20	-3
31	10	20	36	24	90	-0.24	-3
28	30	20	8	24	82	-0.25	-3
48	10	30	8	32	80	-0.25	-3
42	15	20	20	24	79	-0.25	-4
47	25	30	8	16	79	-0.25	-4
44	15	30	24	8	77	-0.26	-4
39	10	20	16	24	70	-0.26	-4
49	5	30	4	16	55	-0.28	-5
22	20	10	4	8	42	-0.30	-5
46	5	10	4	16	35	-0.31	-5
Total					7888.00		
Mean					157.76		
Std							

Table 6.15: *Factor F (Inclination to Trust Alliances)*

Q sort	1	4	7			
Weight	10	-3	9	Total	<i>z</i>	Rounded
Items	Raw Data X Weight					
35	110	-3	99	206	1.98	5
38	110	-9	99	200	1.87	5
15	110	-24	99	185	1.60	5
33	100	-6	90	184	1.58	4
16	100	-15	90	175	1.42	4
5	100	-21	90	169	1.31	4
44	90	-3	81	168	1.29	4
17	100	-24	81	157	1.10	3
12	90	-18	81	153	1.02	3
36	90	-30	90	150	0.97	3
4	80	-21	81	140	0.79	3
42	80	-12	72	140	0.79	2
37	70	-6	72	136	0.72	2
14	90	-18	63	135	0.70	2
1	80	-18	72	134	0.68	2
48	80	-9	63	134	0.68	2
10	70	-12	72	130	0.61	1
20	70	-12	63	121	0.45	1
39	80	-30	63	113	0.31	1
26	70	-27	63	106	0.18	1
25	60	-15	54	99	0.05	1
30	60	-15	54	99	0.05	0
3	60	-18	54	96	0.00	0
19	60	-18	54	96	0.00	0
8	60	-18	54	96	0.00	0
21	60	-18	54	96	0.00	0
28	60	-18	54	96	0.00	0
6	60	-27	54	87	-0.16	0
32	50	-12	45	83	-0.23	0
49	40	-3	45	82	-0.25	-1
43	50	-15	45	80	-0.29	-1
18	50	-21	45	74	-0.40	-1
34	70	-27	27	70	-0.47	-1
40	40	-9	36	67	-0.52	-1
13	40	-9	36	67	-0.52	-2
24	20	-30	72	62	-0.61	-2
7	50	-33	45	62	-0.61	-2
50	50	-24	36	62	-0.61	-2

Q sort	1	4	7			
Weight	10	-3	9	Total	z	Rounded
Items	Raw Data X Weight					
31	30	-12	36	54	-0.75	-2
27	40	-24	36	52	-0.79	-3
41	40	-15	18	43	-0.95	-3
29	30	-21	27	36	-1.08	-3
11	20	-6	18	32	-1.15	-3
9	30	-27	27	30	-1.19	-4
22	30	-30	27	27	-1.24	-4
23	20	-21	18	17	-1.42	-4
2	20	-24	18	14	-1.47	-4
45	10	-6	9	13	-1.49	-5
47	10	-33	9	-14	-1.98	-5
46	10	-33	9	-14	-1.98	-5
Total				1566.00	-20.17	
Mean				96.00		
Std				55.64		

In short, the preceding section provided the factor arrays of the six factors were identified. As previously explained, in Q methodology, the primary focus is on the statements or items. The factor scores that each statement receives is an indication of an attitude in operation (Brown, 1980).

The following section discusses the reliability of the factors.

6.4.3 Reliability of the Q sort factors

The major issue addressed in this section is the reliability of the factors extracted. However, in Q methodology, the primary focus is on the factor arrays of the extracted factors. Such information is of the utmost importance is judging whether the items serve to distinguish the factors from each other and whether they differ to a significant extent. Brown (1980) stated that the answer to the question of reliability of the factors depends on the stability of each factor, which also depends on the stability in the outlook of the participants who comprise the factor. For example, if the perceptions of trust among the participants defining Factor A were stable, the factor analysis of a second set of Q sorts administered at time 2 would result in a similar

factor for the same item. To this extent, the factor would be regarded as reliable with minimal errors associated with the scores.

Estimating the reliability of a factor means that that only the Q sorts defining that factor are considered. Brown (1980) maintains that because one factor only is relevant, the correlations may be approximately expressed in terms of factor loadings. Generally, the reliability coefficient of a person with him/herself ranges from 0.80 upward (Brown, 1980). The correlation coefficient 0.80 is used to estimate the reliability of a factor in the absence of data on a second set of Q sorts administered at time 2. Brown (1980) observed that a more liberal estimate of factor reliability is used in most practical situations and that this has the advantage of providing some leeway to the data in exploratory and hypothesis-forming studies but not for precision and validation work. The liberal expression of factor reliability was used to estimate the reliability coefficients of the six factors:

$$r_{xx} = \frac{p(0.80)}{1+(p-1)0.80}$$

Where p is the number of persons defining a factor, 0.80 is their estimated average reliability coefficient and r_{xx} is the reliability of the factor

$$r_{AA} = \frac{6(0.80)}{1+(6-1)0.80} = \frac{4.80}{5} = 0.96$$

$$r_{BB} = \frac{2(0.80)}{1+(3-1)0.80} = \frac{2.40}{2.6} = 0.92$$

$$r_{CC} = \frac{5(0.80)}{1+(5-1)0.80} = \frac{4}{4.2} = 0.95$$

$$r_{DD} = \frac{4(0.80)}{1+(4-1)0.80} = \frac{3.2}{3.4} = 0.94$$

$$r_{AA} = \frac{4(0.80)}{1+(4-1)0.80} = \frac{3.2}{3.4} = 0.94$$

$$r_{AA} = \frac{3(0.80)}{1+(3-1)0.80} = \frac{2.4}{2.6} = 0.92$$

It may be noted from the preceding reliability estimates that the more the participants defining a factor, the higher the reliability. Based on the reliability estimates of the six factors, it was possible to determine the standard error of the factor scores using the following formula:

$$SEfs = S_{x\sqrt{1-r_{xx}}}$$

Where S_x is the standard deviation of the forced distribution which has been determined to be 2.83, r_{xx} is the factor reliability and $SEfs$ is the standard error of the factor scores. All the Q sorts used the same forced distribution while S_x was the standard deviation of that distribution. The standard error s of the six factor scores were as follow:

$$\begin{aligned}
 SEfA &= S_{A\sqrt{1-r_{xx}}} &= 2.83\sqrt{1-0.96} &= 0.57 \\
 SEfB &= S_{B\sqrt{1-r_{xx}}} &= 2.83\sqrt{1-0.92} &= 0.80 \\
 SEfC &= S_{C\sqrt{1-r_{xx}}} &= 2.83\sqrt{1-0.95} &= 0.63 \\
 SEfD &= S_{D\sqrt{1-r_{xx}}} &= 2.83\sqrt{1-0.94} &= 0.69 \\
 SEfE &= S_{E\sqrt{1-r_{xx}}} &= 2.83\sqrt{1-0.94} &= 0.69 \\
 SEfF &= S_{F\sqrt{1-r_{xx}}} &= 2.83\sqrt{1-0.92} &= 0.80
 \end{aligned}$$

As Brown (1980) observed, the standard errors make it “possible, given the observed factor scores, to state the probable range within which the true factor scores are likely to be located hence ultimately to determine which statements significantly distinguish one factor from all others” (Brown, 1980).

In short, it may be said that the reliabilities of the six factors was high given the fact that they were all above 0.90 and it is generally assumed that the reliability coefficient of a person with him/herself ranges from 0.80 upward (Brown, 1980).

The factor scores for the six factors are now presented individually. After the presentation of the six factor arrays, a table comprising the factor arrays of the six factors is extracted and issues that differentiate them and also the consensus items highlighted.

6.4.4 Q sort factor interpretations: Six experiences of trust in alliances between TCs and HDIs

The following sections present the six factors extracted in turn. It is worth emphasising that the factors that emerged were operational definitions of the trust experiences or outlooks which had produced them and, therefore, are grounded on concrete human behaviour (Brown, 1980). The interpretations of the factors are rooted in the factor scores that exemplified the voices of the participants associated with each of the factors. The items distinguishing the factors are presented in Table 6.28. The interpretations of the factors are supported by the voices of the

participants whose Q sorts were significantly associated with the factor in question. The post-Q sort interview data personified the voices of the participants when they were expounding on their reasoning for their ranking of the items. The participants' voices appear in the form of quotes. Accordingly, the relative item ranking and the participants' voices derived from the post-Q sort interviews played a central role in the factor interpretations as they provided an account of the viewpoints expressed (Watts & Stenner, 2005).

It will become clear with the presentation and discussion of the results that certain unanticipated phenomena that existing theory or research do not explain may have emerged. In other words, it was possible that factors which showed no connection to existing theory could emerge and should not be either impeded from emerging or precluded from occurring. In his seminal work, Brown (1980) noted that one of the virtues of Q methodology is that the emergence of unanticipated behaviour may flourish. In the process new explanations are seized upon and effectively utilised and, thus, general theories grow.

Firstly a description of the individual factors that emerged in the study is presented.

6.4.4.1 Factor A: Sincerity trust alliances

Factor A or sincerity trust alliances comprised a group of focal organisations whose trust was anchored in strong perceptions of the integrity and benevolence of the partner organisations. The perception of integrity was grounded on the feeling that the partner organisations behaved in an honest manner and offered honest advice. The group felt that its partner organisations were considerate because they did not work against the interests of the group. The group did not believe in "doing business on political grounds".

(a) Demographic information

The demographic characteristics of the group defining Factor A are presented in Table 6.16. This group was characterised by six significantly loading participants with an eigenvalue of 6.789 that, in turn, explained 27% of the study variance. The loading participants comprised 4 males and 2 females. Briefly, the participants defining Factor A were a predominantly black and male group who were clearly extremely satisfied with their alliances as they revealed a more than adequate overall satisfaction with the alliances in which they were involved.

Table 6.16: *Demographic Characteristics of the Group Defining Factor A*

Respondent Number	Gender	Race	Duration of the Present Alliance	Satisfaction with the Current Alliance	Years of Experience in Alliances
3	Female	Black	7+ years	4 More than satisfied	7+
11	Male	White	7+ years	5 Extremely satisfied	7+
14	Male	Black	1–3 years	4 More than satisfied	7+
18	Male	Black	1–3 years	3 Satisfied	1–3
23	Male	Black	7+ years	5 Extremely satisfied	7+
24	Female	Black	1–3 years	4 More than satisfied	4–6

(b) *Interpretation of Factor A (sincerity trust alliances)*

This section focuses on the description and interpretation of Factor A. In uncovering the experiences of the participants defining Factor A, the key elements of the experiences were identified by first focusing on the primary themes. The primary themes were those with the most salience (Webler, Danielsen, & Tuler, 2009). Accordingly, only the most salient items describing Factor A were accorded more attention than the non-salient. In other words, primary items with the weighted composite scores of (+5), (+4), (-5), and (-4) received more attention as a result of their salience. However, attention was sometimes paid to secondary (+3) and (-3) and tertiary (+2), (+1) (-2) and (-1) items to enable the data to speak. As Watts and Sterner (2005) cautioned, it is a mistake to assume that all the action takes place at the extremes of the distribution as the middle scores may become information rich when compared with the other scores. Table 6.17 presents the primary and secondary items that exemplified the views of the participants associated with Factor A.

Table 6.17: *Factor Arrays Distinguishing Factor A (Sincerity Trust Alliances)*

Item Number	Statement	Rounded off Column
17	I feel that, when choosing my partner organisation, I am guided by the business skills and knowledge of that organisation	+5
6	I feel that my partner organisation performs its duties and responsibilities competently	+5
19	I feel that my alliance partner behaves in an honest manner towards my organisation	+5
13	I feel that I am able to trust a business partner from a different racial background	+4
30	I feel that the advice that my alliance partner gives my organisation is honest	+4
5	I feel that my tendency to trust others is high	+4
16	I feel that I trust people until they give me a reason not to trust them	+4
15	I feel that trust is the foundation of the relationship with my partner organisation	+3
38	I feel that I generally give people the benefit of the doubt when I first meet them	+3
27	I feel that others may be counted on to do what they have promised to do	+3
32	I feel that my partner organisation is dependable	+3
9	I feel that I run the risk of my partner organisation stealing my business ideas because I allow the flow of business information to it	-3
44	I feel that my alliance partner initiated an alliance with my organisation because I have the credentials required for compliance with legislation	-3
4	I feel that I rely on the written contract to ensure that my partner organisation performs its duties and responsibilities honestly	-3
23	I feel that I act in a manner that safeguards the interests of my organisation at the expense of the alliance	-3
11	I feel that I may count on my partner organisation to acquire contracts from government and other state-owned enterprises on behalf of the alliance	-4
50	I feel that my partner organisation prefers an alliance partner with no experience in its business	-4
47	I feel that my organisation does little or nothing and that my alliance partner does all the work on behalf of the alliance	-4

Item Number	Statement	Rounded off Column
29	I feel that my partner organisation engages in activities that benefit it at my organisation's expense	-4
41	I feel that my partner organisation is deliberately giving misleading advice	-5
7	I feel that my alliance partner works against the interests of my organisation	-5
45	I feel that I formed an alliance with my partner organisation so that it could open political doors for me	-5

From the rounded off column in Table 6.17 one notes the items about which the participants defining Factor A felt very strongly. It is important to remember that these items originated from the various elements of trust already identified. Therefore, in the presentation of the results the specific element from which the item originated was highlighted.

(i) Characteristics of the trustee: ability

The group defining Factor A, comprising predominantly HDIs, experienced its partner organisations as strong in terms of ability, thus demonstrating business skills and knowledge. The disclosure that, when choosing its partner organisations, the group was guided by the business skills and knowledge of the partner organisations amplified the prominence of ability trust. This prominence was revealed by item **17** which was scored (+5). Therefore, in forming alliances the group defining Factor A rated the ability of its partner organisations as reflected in business skills and knowledge as of the utmost importance. The fact that the group had chosen partner organisations on the basis of their business skills and knowledge had contributed immensely to the group experiencing its partner organisations as performing its duties and responsibilities competently. This view was supported by the emphatic score of (+5) for item **6**. For the group defining Factor A, the significance of choosing a partner with business skills and knowledge was corroborated by the qualitative data collected from the post-Q sorting interviews. In expounding on their reasoning for the ranking of these statements some of the Factor A participants stated:

“Both parties to the alliance relationship should be competent to perform their duties.”

“I choose a partner who will complement what I am doing. The question is what is it that this person or organisation can do to complement my skills and, ultimately, enhance the accomplishment of my project.”

“For me the most important is to know what your partner brings into the alliance. What is the point of bringing someone who has nothing to offer? I mean, you just don’t take anyone, you want someone to complement you, someone with the skills, hence I have rated statement **17** as (+5).”

The finding that the group defining Factor A considered it vital to consider the ability of its partner organisations was in line with the literature (Mansor & Mirahsani, 2012). The literature on organisational trust reveals that the ability of partner organisations is perceived by trustors to be a very important criterion against which to measure the trustee’s potential contribution to the performance of the alliance (Brahma & Chakraborty, 2009).

(ii) Integrity

Besides being perceived as competent, the partner organisations were seen by the focal group defining Factor A as high in integrity. The perceptions of integrity were rooted in the perception that the partner organisations behaved in an honest manner towards the group. Item **19** scored (+5), thus revealing the basis for the view that the partner organisations were high in integrity.

The group defining Factor A supported its claim regarding honest partner behaviour with its rejection of the suggestion that its partner organisations were deliberately giving it misleading advice. The emphatic rejection of the assertion that the partner organisations were deliberately giving misleading advice was encapsulated in item **41** which received a score of (-5). In other words, the score of (-5) communicated an emphatic rejection by the participants defining Factor A of any suggestion that the partner organisations were deliberately giving misleading advice and, *ipso facto*, were acting without integrity. In fact, the group defining Factor A regarded the advice that they were given as honest. This viewpoint was reinforced by item **30** which received a score of (+4).

The group also perceived its partner organisations as honest because they adhered to the values that the group held in high esteem:

8 I feel that my alliance partner adheres to the values that my organisation holds in high esteem (+1)

The scoring of the items clearly demonstrated the high premium that the group placed on the integrity of its partner organisations. Whereas a score of (+1) was relatively low and may have lacked meaning, the significance of integrity and, more specifically, values is amplified by one of the participants defining Factor A as follows:

“Both internally and outside partners are bound by the values. If we did not share values, we would not work together. There would not be glue that bound us together.”

Perceived integrity is an element of trustworthiness which may be explained as the trustor’s belief that the trustee is committed to a set of acceptable principles (Mayer et al., 1995). In the view of Mayer and Davis (1999), trustees high in integrity-based trust not only espouse values perceived as positive but also act in an honest manner consistent with the espoused values as reported above. Shared values are regarded as pivotal for bonding and enhancing trust between alliance partners (Silva et al., 2012).

(iii) Benevolence

Again the salience of the elements of trustworthiness in the group defining Factor A was demonstrated by the group’s categorical rejection of item **7** scored (-5). By categorically rejecting this item, the group negated any suggestions that its partner organisations worked against its own interests and, by that fact, lacked benevolence or caring for the focal organisation. This very strong perception that its partner organisations was not working against its interests was illustrated by the group’s view that the partner organisations did not engage in activities that would benefit them at the expense of the focal organisation. Item **29** with a score of (-4) provided credence to the caring attitude of the partner organisations. By strongly rejecting that its partner organisations worked against its interests because they did not engage in activities that benefited them at the expense of the focal organisation, the focal group was attributing a degree of benevolence-based trust towards the partner organisations.

The primary role of items **7** and **29** above should not have come as a surprise because, in Q methodology, the salient items or factors are those sorted away from the centre of the Q sort

distribution. This includes both positive and negative items which are scored away from the centre of the distribution. Such items were of primary interest to this study. A participant from the group defining Factor A's reasoning for the sorting of these items was fitting:

"Ours is a mutual business. I expect them to preserve the interests of my organisation the same way I preserve theirs."

The preceding verbatim statement provides support to the view that the perceived benevolence, as reflected by the scores for items **7** and **29**, implied that the group believed that its partners would not harm its interests. The group perceived its partner organisations as considerate and, therefore, not expected to act maliciously against the group's interests. Such considerate partners were likely to be trusted (Schoorman et al., 2007; Tan & Lim, 2009). Perceived benevolence trust is viewed as an essential component of interpersonal relationships (Levin et al., 2006).

The prominent position that benevolence items were assigned indicated strong beliefs that the partner organisations, consisting mainly of TCs, were experienced as high in benevolence because they did not work against the interests of the focal group by engaging in activities that would benefit them at the expense of the focal group. In economic empowerment settings such as in Malaysia and South Africa, the dominance of the corporate sector – managed and owned primarily by the previously advantaged communities – has come under scrutiny because of the reported low consideration and concern for the welfare of the HDIs (Tyson, 2011). The reported low concern for the welfare of the trustee organisations has eroded trust in the TCs (Butler, 2011; Van Scheers, 2010).

To summarise, the findings regarding the group defining Factor A thus far have revealed that the experiences of the focal group associated with Factor A appeared to highlight the characteristics of the trustee, namely, ability, benevolence and integrity trust. The findings on the perceptions of the group defining Factor A of high ability or competency, integrity and benevolence related trust to their partner organisations were in line with past research on organisational trust in allotting high trust to the partner organisations (Mayer et al., 1995).

The focal group defining Factor A expressed the view that, when choosing partner organisations, the group was guided by the business skills and knowledge of such partner organisations. This may suggest prior knowledge of the partner on the part of the focal

organisation or a relatively long relationship with the same predominantly TC partners. As may be recalled from Table 6.16, the predominantly HDI group defining Factor A had had significant experience in alliances and had, on average, been in the same alliance for 4 years. Being guided by the business skills and knowledge of the predominantly TC partners possess presupposes prior knowledge of the partner. The finding that the focal group had reported experiences of trustworthiness of its partners was supported in relevant literature (Schilke & Cook, 2013; Vanneste, Puranam, & Kretschmer, 2014). As previously argued, the expectations on the part of a focal organisation about a partner are informed by the partner's past behaviour (Connelly et al., 2012). However, trust between alliance partners is also strengthened by positive exchange experiences (Thorgren & Wincent, 2011).

(iv) Characteristics of the trustor: propensity

The concept of propensity to trust is inextricably linked with the elements of trustworthiness and actually co-influences the trustor's willingness to trust. According to the model proposed by Mayer et al. (1995), willingness to trust is influenced by the elements of trustworthiness such as ability and integrity, on the one hand, and propensity to trust on the other. Propensity to trust is seen as a trait that is stable across situations and that influences the likelihood that the trustor will trust others (Ashleigh & Higgs, 2012; Mayer et al., 1995; Schoorman et al., 2007).

The predominantly HDI group defining Factor A perceived itself as high in propensity to trust. As shown via item **5**, the focal group defining Factor A expressed the sentiment that its tendency to trust others was high (+4). The inclination to trust others was evidenced by the group's tendency to trust others until they gave it a reason not to, as shown by item **16** scored (+4). The group generally gave others the benefit of the doubt when it first met them because it believed that others could be counted on to do what they had promised to do. The substantiation for this statement was provided by items **38** and **27** which scored (+3)

In view of its relatively stable nature, the high propensity to trust of the group defining Factor A influenced its willingness to trust. The relatively high score in propensity to trust implied that this group tended to exhibit high trust even prior information about its partner organisations becoming available. One participant from the group defining Factor A expressed the feelings of the group as follows:

“I must also admit that I tend to trust others and sometimes they give me something completely unexpected.”

The relatively high propensity to trust of the group defining Factor A may help explain why it was more trusting than the other groups. Propensity to trust is vital in explaining variations in trust and may account for why some individuals are more trusting than others (Ashleigh & Higgs, 2012; Bianchi & Brockner, 2012; Starnes et al., 2005).

The issue of propensity to trust as being susceptible to influence and change is not contested. Maintaining that propensity to trust is relatively stable is to accede that it may be influenced by geographic, industry and economic histories (Fadol & Sandhu, 2013). One may have suspected that, based on both South Africa’s historical social relations and economic histories prior to the 1994 democratic dispensation and the ongoing discursive narrative about blacks being used as a façade by some TCs that the predominantly black group would not have demonstrated such relatively high trust in its predominantly white business partners. It may, thus, be deduced from the findings that the historical social relations and economic histories may not have had a major influence on this group’s trust in its predominantly TC partners. The evidence for this statement was derived from the group’s indicating that it would trust a business partner from a different racial background. The finding that item **13** scored (+4) authenticated this assertion. It was interesting to note, through item **2** scoring (+1), that the group had expressed a relatively weak feeling that it felt able to trust business partners from the same racial background. It may, however, be that, for the predominantly HDI group defining Factor A, that the racial affiliation of partner organisations was of little or no consequence. As one of the black participants articulated:

“I have worked with both black and white people in alliances and both have disappointed me and both have done well. So, for me, it has not been a race thing. Maybe I am lucky.”

(v) Reliability

The focal group defining Factor A revealed relatively moderate experiences of the reliability of its partner organisations – see item **32** which scored (+3). The group defining Factor A indicated that it perceived its partner organisations as reliable because they had shown themselves to be dependable as had been demonstrated by their keeping of their promises, consistency between

their words and actions and adhering to the agreements into which they had entered with the group. Although they had achieved low scores the scoring of the following items supported the notion of the reliability of the predominantly TC partners:

2 I feel that my partner organisation keeps its promises (+2)

10 I feel that there is consistency between the words and actions of my partner organisation (+2)

43 I feel that my partner organisation adheres to the agreements into which it entered (+2).

The literature review established that the reliability of the trustee or contact person in the alliance has a positive influence on trust in business relationships (Zhang, 2011).

(vi) Trust and contracts

The group defining Factor A's strong perceptions of its partner organisations' trustworthiness were reflected in the high weighted composite scores for the ability, benevolence and integrity items as presented in Table 6.17. The perceived reliability of its partner organisations, although relatively low, also appeared to support the view that the predominantly TC partners were trustworthy. The prominence of the predominantly TC partners' trustworthiness together with the group's high propensity to trust constituted the fundamentals of the group's belief that trust was the foundation of its relationship with its partner organisations as shown – see item **15** which scored (+3). In other words, it may be deduced that the focal group's belief that trust was the foundation of the relationship with partner organisations was rooted in both the high trustworthiness of the partner organisations and its own high inclination to trust others.

The central role played by trust in the focal group's relationships with its partner organisations was corroborated by the rejection, albeit weak, of the view that the formal contract was fundamental to the relationship with its predominantly TC partners. Juxtaposing the scores of items **15** and **37** underscored the high premium the group placed on trust vis-à-vis formal written contracts:

37 I feel that the formal contract is the foundation of the alliance relationship with my partner organisation (-1).

In view of the finding that the predominantly HDI group defining Factor A viewed trust as the foundation of its relationship with partner organisations, formal contracts were clearly peripheral to the relationships because they were insignificant. The central role that the group defining Factor A assigned to trust was further supported by the fact that item **4** scored (-3), thus indicating that the group rejected the assertion that it relied on a written contract to ensure that its partner organisations performed their duties and responsibilities honestly. Even when the element of risk of opportunism was introduced, the group continued to indicate its trust of its predominantly TC partners by the negative scoring of item **26** (-1), thus indicating its rejection of the importance of formal contracts in its alliance relationships:

26 A formal written contract is important given the potential for risk of opportunism on the part of my partner organisation (-1).

The verbatim statements of some members of the group defining Factor A resonated with the experiences presented above:

“I trust them, therefore no need for formal contract.”

“We are not strictly utilising contracts. Trust has been predominating.”

“If I don’t trust him I will not do business with him.”

It may thus be inferred that the group defining Factor A exhibited high willingness to be vulnerable to their partner organisations, irrespective of its ability to monitor or control them.

The following section focuses primarily on the South African economic empowerment domain. As elucidated in the previous chapters, reports that business alliances between TCs and HDIs are established in order expedite political connections and access to resources through tenders from the state and other state enterprises abound (Patel & Graham, 2012; Thomas, 2014).

(vii) Economic empowerment

The group that defined Factor A shared extremely strong perceptions that its partner organisations were competent, considerate, high in integrity and reliable. The group also displayed a very strong inclination to trust others. It was, thus, clear that its relationships with its partner organisations were anchored primarily in trust than in formal, written contracts.

The voice of one participant from the group defining Factor A articulated a view that was linked to the preceding findings and, simultaneously, opened the way to investigating its economic empowerment experiences:

“I have worked with both black and white people in alliances and both have disappointed me and both have done well. So, for me, it has not been a race thing. Maybe I am lucky. I am equally competent and my partner is also competent. I will not allow anybody to use me or my blackness. Much as I initiate alliances with some white companies, they also come to me and ask that we work together on a project. I assume that they come to me because of my expertise. Well, they may have their own ideas, I cannot tell but, at the end of the day, I do the job for which I was approached. It is not a matter of being paid for doing nothing.”

The view that the participant clearly stated that she would not allow anybody to use her or her blackness resonated with the group’s categorical rejection of item **45** which scored (-5). The predominantly HDI group defining Factor A did not form alliances with its partner organisations so that the partner organisations could open political doors for it. Neither did the group believe that its partner organisations formed alliances with it so that it could open political doors for the partner organisations. This is demonstrated by the scoring of the following item:

46 I feel that my alliance partner formed a business alliance with my organisation so that my organisation could open political doors for it (-2).

The viewpoints of some of the participants defining factor A captured the essence of the group’s strong rejection of the role of political connections in business:

“Maybe others may be doing that. I don’t do business on political grounds”.

“Blackness does not open doors for me. I am not a political buff.”

The scoring of items **45** and **46** by the group defining Factor A clearly demonstrated the view that neither the group nor its partner organisations initiated alliances to gain access to the political elite. This despite the fact that the opening of political doors and the implied access to the political elite may unduly have provided the alliance with access to contracts from government and other state-owned enterprises.

However, the group was adamant that neither it nor its partner organisations formed alliances with the aim of acquiring contracts from government and other state-owned enterprises on behalf of the alliances. The group stated emphatically says that it did not depend on its partner organisations to acquire contracts from government and other state-owned enterprises. This viewpoint was demonstrated by the negative response to item **11** which scored (-4) and which stated that the group could count on its partner organisations to acquire contracts from government and other state-owned enterprises on behalf of the alliance. Similarly, despite the low score of item **22**, namely, (-2), the group rejected the notion that its partner organisations relied on it to acquire contracts from government and other state-owned enterprises on behalf of the alliance. In other words, the group was rejecting the view that either it or its partner organisations were using each other to acquire government contracts:

22 I feel that my alliance partner relies on me to acquire contracts from government and other state-owned enterprises on behalf of the alliance (-2).

Despite comprising predominantly HDIs, the group defining Factor A believed that its partner organisations had not initiated alliances with it because it possessed the credentials required for compliance with legislation. Item **44** which scored (-3) provided evidence of this stance. The criteria regarded as crucial when choosing a partner organisation intimated that this group would initiate alliances on the basis of the business skills and knowledge of the partner organisations.

The group's emphasis on competence and the need to complement each other intimated the significance of own and partner organisations' competence and the desired level of involvement in the performance of alliance activities. The group expressed a strong rejection of the view that suggested minimal involvement on its part in the work of the alliance. This was indicated by item **47** scored (-4). One of the participants in the group defining Factor A reported:

"I don't go into alliances without an active role. I formed this alliance because I can do my part and expect others to do that."

Also indicating strong rejection by the group defining Factor A was the view expressed by item **50** which scored (-4), namely, that partner organisations prefer partners with no experience in its

business. This group believed in its own and partner organisations' competence complementing each other in order to enhance alliance performance.

The literature provides ample evidence of HDIs and black individuals seduced by TCs into forming business alliances, only to end up functioning in symbolic capacities (Butler, 2011; Tyson, 2011). In South Africa some TCs have misrepresented their credentials and manipulated HDIs and persons from previously disadvantaged communities as a façade in order to access government tenders (Cole, 2015; Iheduru, 2004). It has been reported that TCs sometimes offer HDIs generous contracts to serve as their black empowerment partners but, once the bid has been won, they buy their black partners out of the deal (Van Scheers, 2010). However, the experiences and stance of the group defining Factor A were in total contradiction to these commonly held views.

Chapter 3 cited numerous reasons why organisations form alliances. Particularly apposite to the South African setting is the government suasion and legislation that strive to encourage the formation of business alliances between black and white organisations. TCs that form such alliances may, in return, earn points that enable them to participate in procurements that involve state institutions (Ahwireng-Obeng & Ogunjobi, 2001; Emuze & Adlam, 2013; Osborn & Hagedoorn, 1997). The responses to the economic empowerment items should be looked at against the backdrop of the strong view expressed by the group defining Factor A that, when choosing a partner organisation, the business skills and knowledge of the trustee was of primary importance. This fact, together with the central role and credence of the overall trustworthiness indicated the group's high propensity to trust and its overall high level of satisfaction with the alliances, supported the group's stance that it did not rely on political expediency.

It was recognised that the predominantly HDI group defining Factor A had had positive experiences in its alliances with predominantly TC partners. The group's verbatim explanations of the reasoning for its sorting of items reflected a more focused group in terms of its planned objectives and high in trust. It may be observed from the preceding findings that the group had expressed strong views that revealed that it and its alliance partners did not initiate business alliances in order either to open political doors or to acquire contracts from government and other state-owned enterprises on behalf of the alliances In South Africa, as in Malaysia, HDIs are often sought by TCs as partners because they possess the correct credentials to ensure for compliance with legislation (Doraisami, 2012; Gabriel, 2015).

It is conjectured that the pleasant conditions observed in this predominantly HDI group defining Factor A, specifically its positive perceptions of the trustworthiness of its partner organisations, as well as the group's own inclination to trust others, were both crucial and conducive for authentic black economic empowerment. One may hasten to surmise that the group appeared to find meaning in the economic activities of its choice and which challenged its abilities to perform alliance tasks with a substantial degree of autonomy and in a manner that it felt influenced the economic outcomes of alliance activity.

It is theorised that the trust experiences of the group defining Factor A were shaped by, and in turn, shaped the group's practice or application of black economic empowerment.

The next section focuses on the group defining Factor B.

6.4.4.2 Factor B: Values trust alliances

Factor B or values trust alliances comprised a group of focal organisations whose trust was anchored in strong perceptions of the integrity and reliability of the partner organisations. The integrity was grounded on the perceptions that the partner organisations upheld the values that the group held in high esteem while the reliability was grounded on the perception that the partners kept their promises. The group shared a very strong sentiment that formal contracts were not the basis of its alliance relationships.

This section focuses on the group defining Factor B (values trust alliances) and follows the same procedure used in presenting the factor scores of the group defining Factor A. Tables were used to facilitate the visual saliency of the relevant factor scores for Factor B with table 6.19 presenting statements that defined Factor B. Firstly, however, the section describes a biographical description of the group.

(a) Demographic information

The demographic characteristics of the group defining Factor B are presented in Table 6.18. The group has three significantly loading participants with an eigenvalue of 4.935 that explained 20% of the study variance. Table 6.18 presents the biographical information of the participants

defining Factor B. Briefly, the participants defining Factor B included two white and one black male. On average, the group appeared to be satisfied with its present alliances.

Table 6.18: *Demographic Characteristics of the Group Defining Factor B*

Respondent Number	Gender	Race	Duration of the Present Alliance	Satisfaction with the Present Alliance	Years of Experience in Alliances
21	Male	White	7+ years	4 More than satisfied	7+
15	Male	White	4–6 years	3 Satisfied	7 +
25	Male	Black	1–3 years	2 Moderately dissatisfied	1–3

It was deemed important to note the following about the group defining Factor B: The researcher's field notes revealed that participant 21 co-owned his organisation with a black male. At the beginning of the Q sorting session, prior to commencing the actual sorting of the cards, participant 21 enquired whether if, in sorting the cards, he should have, as an alliance partner, the co-owner of his business in mind or whether he should refer to other organisations with which they had formed alliances. It was agreed that he should regard the notion of alliance partner as referring to an organisation that was in an alliance with the organisation he co-owned.

The rationale for mentioning this information is that the unique situation of his organisation may have influenced the manner in which he sorted the cards. In the researcher's view, it was plausible to suggest that, at some point in the sorting of the items, the blurred or dual identity of his organisation may, unwittingly, have influenced his sorting.

(b) *Interpretation of Factor B (values trust alliances)*

Table 6.19 presents information on the salient factor scores for the group defining Factor B. The methodological principles and procedures, such as the primary versus secondary areas of focus, and, as discussed earlier prior to the presentation of Factor A arrays, are still applicable.

Table 6.19: *Factor Arrays Distinguishing Factor B (Values Trust Alliances)*

Item Number	Statement	Rounded Column
21	I feel that my partner organisation keeps its promises	+5
8	I feel that my alliance partner adheres to the values that my organisation holds in high esteem	+5
15	I feel that trust is the foundation of the relationship with my partner organisation	+5
14	I feel that the positive business performance of the alliance enhanced trust in my partner organisation	+4
12	I feel that the interaction with my partner organisation over time made me positive about its future behaviour	+4
44	I feel that my alliance partner initiated an alliance with my organisation because I have the credentials required for compliance with legislation	+4
6	I feel that my partner organisation performs its duties and responsibilities competently	+4
32	I feel that my partner organisation is dependable	+3
17	I feel that, when choosing my partner organisation, I am guided by the business skills and knowledge the partner organisation possesses	+3
10	I feel that there is consistency between the words and actions of my partner organisation	+3
43	I feel that my partner organisation adheres to the agreements into which it entered	+3
37	I feel that the formal contract is the foundation of the alliance relationship with my partner organisation	-3
9	I feel that I run the risk of my partner organisation stealing my business ideas because I allow the flow of business information to it	-3
49	I feel that my alliance partner chose my organisation as an alliance partner to neutralise future competition between our organisations	-3
33	I feel that I initiated an alliance with my partner organisation because it possessed the credentials required for compliance with legislation	-3

Item Number	Statement	Rounded Column
23	I feel that I act in a manner that safeguards the interests of my organisation at the expense of the alliance	-4
29	I feel that my partner organisation engages in activities that benefit it at my organisation's expense	-4
11	I feel that I may count on my partner organisation to acquire contracts from government and other state-owned enterprises on behalf of the alliance	-4
46	I feel that my alliance partner formed a business alliance with my organisation so that my organisation could open political doors for it	-4
50	I feel that my partner organisation prefers an alliance partner with no experience in its business	-5
47	I feel that my organisation does little or nothing and that my alliance partner does all the work on behalf of the alliance	-5
41	I feel that my partner organisation is deliberately giving misleading advice	-5

(i) Our trustees have integrity

In common with the group defining Factor A, Factor B group shared strong perceptions that its partner organisations were high in integrity. However, unlike the group defining Factor A whose basis for its perceptions of the partner organisations' integrity was honest behaviour towards the group (item **19**), group defining Factor B's perceptions were anchored in the firm belief that the partner organisations upheld the values that it held in high esteem – see item **8** which scored (+5). Accordingly, the two groups shared the belief that their partners were high in integrity. However, they tended to attribute this high integrity to different behavioural patterns on the part of their respective partner organisations. Group A tended to explain its partner organisations' integrity in terms of item **19** with such behaviour is shown by, among others, the truthful and honest advices that the partner organisations gave to this group. The score for items **41** and **30** provided credence to the group's claim that the partners were honest. The group defining Factor B, on the other hand, expressed the view that its partner organisations' high integrity was demonstrated by the fact that the partner organisations upheld the values that the group itself

held in high esteem (see item which **8** scored (+5)). This belief was supported by the truthful advice the group received from the partner organisations. The latter was inferred from the firm refutation of the group that its partner organisations were deliberately giving it misleading advice (see item **41** which scored (-5)). The belief that the partner organisations upheld the values that the group held in high esteem was revealed by the group's assertion regarding the honest behaviour shown by the partner organisation towards the group (see the following score for item **19**):

19 I feel that my alliance partner behaves in an honest manner towards my organisation (+2)

Both groups scored item **41** with a weighted composite score of (-5), thus indicating their unequivocal rejection of the notion that their partner organisations were deliberately giving them misleading advice.

The central role of the shared values was accentuated by the data from the qualitative post-Q sort interviews. One participant from the group defining Factor B verbalised this strong belief in shared values:

"I think the issue of a partner who shares values is important. If you base your business relationship on non-business issues like race your business is bound to fail. So we share values and that is why the negatives that denies abuse or misuse of a partner. We always do our share when it comes to alliances."

The extant research on organisational trust has observed that shared values and adherence to such shared values comprise the cornerstones of integrity (Mayer & Davis, 1999; Tan & Lim, 2009). As an element of trustworthiness, integrity creates a strong connection and attachment between the partners and, at the same time, enhances the trust essential for cooperation and collaboration (Silva et al., 2012). From the perspective of the trustor, cooperation and collaboration are expedited by the focal organisation's perceptions that the trustee behaves in fair and honest manner towards the focal organisation. This group regarded itself as high in integrity and the partner organisations were deemed to be acceptable, primarily because they demonstrated integrity as anchored in common or shared values. In addition, the trustor's perceptions of the trustee's behaviour may be based on the history or observations of how, in the past, the trustee had related to other organisations with which it had entered into alliances,

especially prior or at the beginning of the alliance in question (Tan & Lim, 2009). It is conjectured that TCs or HDIs that experience their partner organisations as high in integrity will engage in authentic business alliances that benefit both the parties to the alliance.

(ii) The reliability of our partners

Factor A group revealed relatively moderate experiences of the reliability of its partner organisations as embedded in item **32** which scored (+3) and demonstrated by items **21**, **10** and **43** which scored (+2), (+2) and (+2) respectively. However, compared to Factor A group, the group defining Factor B expressed relatively stronger and more passionate feelings that their partner organisations were reliable primarily because they kept the promises, as shown by item **21** which scored (+5). The assertion that the partner organisations kept their promises was demonstrated by the group defining Factor B indicating the dependability of the partner organisations in their interactions with the group – see item **32** which scored (+3). Further support for the assertion that the partner organisations kept their promises was provided by the consistency observed between their words and actions and the fact that they were seen to adhere to the agreements they had entered into. This was signified by scores of (+3) for items **10** and **43**. The group's unequivocal perceptions of reliability were, therefore, predicated on the perception that its partner organisations kept their promises.

Reliability in business alliances means that the trustee organisation shows consistent behaviour, thus enabling the trustor to anticipate the approximate behaviour of the trustee organisations (Brahma & Chakraborty, 2009; Parkhe, 1998). This perceived consistent interaction on the part of the trustee with the trustor, together with the trustee's observed historical patterns of doing business with other organisations, are fundamental to enhancing trust in business alliances (Sklavounos & Hajidimitriou, 2011; Zhang, 2011).

(iii) Our business partners perform competently

The group defining Factor A expressed relatively stronger perceptions about its partner organisations' ability than the group defining Factor B. For the group defining Factor A, ability was anchored on the group's choice of partner organisations with business skills and knowledge and who performed their duties and responsibilities competently – see items **17** which scored (+5) and **6** which scored (+5). On the other hand, the group defining Factor B regarded its

partner organisations as competent because they perform their duties and responsibilities competently (see item **6** which scored (+4)). However, the focal group cited as evidence of the competent or ability trust of its partner organisations, the business skills and knowledge of these partner organisations.

- (iv) Despite our low propensity to trust, trust is the foundation of relationships with alliance partners

The group defining Factor A had shared the belief that trust, and not formal contracts, was the foundation of the relationship with its partner organisations. However, the group defining Factor B's orientation expressed a relatively stronger and intense perception that trust was the foundation of the relationship with its partner organisations (see item **15** which scored (+5)). However, for the group defining Factor A, it appeared that the basis for regarding trust as the foundation of relationships with partner organisations emanated from the partner organisations' high competence, benevolence and integrity and moderate scores being assigned to its reliability and also the group's inclination to trust others. On the other hand, for the Factor B group, the basis for regarding trust as the foundation of its relationships with partner organisations was its strong perceptions of the integrity and reliability as well as competence of the partner organisations (as previously noted).

For the group defining Factor A, in addition to its strong perceptions of trustworthiness, the propensity to trust of the group was essential for trust to be regarded as the foundation of the relationships with partner organisations. In contrast, relative to the group defining Factor A, Factor B group perceived itself as lower in its inclination to trust others, thus, by implication, detracting from the view that propensity to trust was essential in order to experience trust as the foundation of the relationships with partner organisations. Group B's negative and low scores for items **5**, **16**, **27** and **38** corroborated this assertion.

In explaining the reasons for the sorting of items, the participants from the group defining Factor B articulated views that resonated with the findings on the group's propensity to trust:

"Given that I am not a trusting person per se, our alliances have been based on what a partner can do."

"I don't trust people in general. Perhaps I don't trust easily, like the card says."

The firm belief of the group defining Factor B that trust was the foundation of the relationships with partner organisations was supported by its rejection of the view that the formal contract was the foundation of its alliance relationships. Item **37** which scored (-3) revealed that the group rejected the view that the formal contract was the foundation of the alliance relationship with its partner organisations. Group A had also rejected item **37** with a low score of (-1).

The group associated with Factor B tended to rely more on trust than on formal contracts in their business alliance relationships. This was evidenced by its rejection and negative scoring of the following statements that suggested more faith in formal contracts than in trust. Factor B participants responded as follows:

4 I feel that I rely on the written contract to ensure that my partner organisation performs its duties and responsibilities honestly (-2).

26 A formal written contract is important given the potential for the risk of opportunism from my partner organisation (-2).

One participant from group defining Factor B groups explained that:

“There are many alliances like ours without a written document. But it is more about shared values and what one can deliver.”

In common with the group defining Factor A, the group defining Factor B regarded trust as both a sound foundation and a management tool in its alliances. By implication formal contracts were regarded as relatively insignificant in the group's alliances. However, and unlike the group defining Factor A, the notion that trust was the foundation of its alliance relationships as expressed by the group defining Factor B was placed at the summit in the Q sort distribution because of its salience (+5). This elevated positioning of the notion that trust was the foundation of the group's alliance relationships and grounded in the strong and conspicuously high integrity and reliability of the partner organisations was supported by the verbatim statements provided above by the group defining Factor B.

It may be inferred that the group defining Factor A identified trust as the foundation of its relationships and based partly on its strong perceptions that its partner organisations were high in ability, integrity and benevolence or caring. In addition, it may be that trust was viewed by the

group as the foundation of its relationships with its partners because of the group's high propensity or inclination to trust others. This inference is in harmony with conclusions cited in the research that both the perceptions of the partner organisations' trustworthiness comprising ability, benevolence and integrity and the focal organisations' propensity to trust account for the trustor's willingness to take risk (Mayer et al., 1995).

In contrast, it may be deduced that, for Factor B group, the view that trust was the foundation of the relationships with its partner organisations was grounded on its strong perceptions that the partners were high in integrity, reliability and ability. Unlike the group defining Factor A, this group's propensity to trust was negligible because the relevant items were not salient. In fact, the group's belief found expression in the utterance: "given that I am not a trusting person per se ...". The viewpoint of the group that defined Factor B implied that in the absence of or low propensity to trust, the characteristics of the trustee are significant for trust to occur. However, the group defining Factor B reported that the interaction with its partner organisations over time had made it positive about the future behaviour of the partner organisations (see item **12** which scored (+4)). The implication of this last statement was that, over time, the interaction may have enabled the group to establish the trustworthiness of its partner organisations. It was also plausible to infer that, for the group defining Factor B, the low propensity to trust in alliance relationships and the view that the group was "not trusting per se" may have been circumvented by the choice of a partner with both skills and knowledge. However, the issues may be more complex than any of the suppositions advanced suggested.

(v) Interaction with our partners made us positive about their future behaviour

Organisations may sometimes seek alliances with others about which they have inadequate information (Plötner et al., 2013). Such inadequate information may have the effect of hampering co-operation between the partners as they may feel that they are not able to trust each other to work for the interests of the alliance (McCarter et al., 2011). For partners low in propensity to trust, such as the group defining Factor B, this may create formidable barriers to trust. The preceding discussion revealed that the group defining Factor B manifested low propensity to trust and was not likely to trust others prior to information about them becoming available.

It appeared that the group defining Factor B had benefited from the exposure to and interaction with its partner organisations. Unlike the group defining Factor A, this group's interaction with its partner organisations over time had made it positive about their future behaviour:

12 I feel that the interaction with my partner organisation over time made me positive about its future behaviour (+4).

Over time the group defining Factor B, which was the least trusting prior to information about its trustees becoming available, had benefited from interaction with its partner organisations. This interaction had clearly been constructive as the group had indicated that it felt positive about the partner organisations' future behaviour. Despite the challenges of being low in propensity to trust and becoming positive about the future behaviour of its partners only after time, the group defining Factor B was not acting in a manner that safeguarded its own interests at the expense of the alliance.

(vi) Positive business performance of the alliance enhanced trust in our partners

The score for item **12** demonstrated that the group defining Factor B had derived benefits from the interaction with its partner organisations. Firstly, the continued interaction with the trustee organisations had made the group positive about the future behaviour of its partner organisations. Trust, particularly affective trust, is premised on close interpersonal relationships. Secondly, and flowing from the interaction of the group with its partner organisations, was the group's strong affirmation of item **14** that the positive business performance of the alliance had enhanced its trust in its partner organisations (+4). As a result the group defining Factor B felt that, after the initial small investment in the alliance, its uncertainty about the future behaviour of the partner organisations had been reduced. This uncertainty had been diminished by the positive business performance of the alliance:

3 I feel that, after the initial small investment in the alliance, my uncertainty about the future behaviour of my partner organisation was reduced following the positive business performance of the alliance (+2)

It may be theorised that, for the group defining Factor B with low propensity to trust, positive experiences with its partner organisations had been essential in order to strengthen the belief

that the partner organisations were trustworthy and the alliance project feasible. In other words, beginning with small investments in the alliance, the group defining Factor B had been able to establish the viability of the business and the trustworthiness of the partner organisations before committing larger resources to the alliance.

(vii) In authentic alliances we perform and learn as much as our partners

In explaining the reasoning for its sorting of the items, the participants from the group defining Factor B reported:

“Most of the time, organisations that form relationships with us are interested in the real job allocated us. We have our expertise and they also do. Sometimes we learn from them as much as they learn from us.”

“The organisations that partner with us want to grow and gain experience.”

The preceding verbatim statements encapsulate the views of the group associated with Factor B. This group prided itself on its active involvement in and performance of alliance work. Specifically, and similar to the group defining Factor A which had given a score of (-4) to item **47**, the Factor B group had rejected item **47** with a score of (-5). Item **47** stated that the group does little or nothing and that its alliance partners do all the work on behalf of the alliance. For the group associated with Factor B the partner organisations were perceived as interested in performing the jobs allocated to them.

The two verbatim statements revealed the group’s perceptions that organisations that had formed alliances with it were interested in its performance of the jobs allocated or its expertise and that, through this association, the group had been able to grow and gain experience, thus negating the insinuation that its partner organisations preferred partners with no experience in its business. Item **50**, which scored (-5), stated that the group’s partner organisations preferred alliance partners with no experience in their business. The assertion in the first of the two preceding verbatim statements that the the partner organisations were interested in the actual job allocated to the group contradicted the statement that stated that the group did little or nothing and that its alliance partners were doing all the work on behalf of the alliance. This assertion, together with the opinion expressed that “the organisations that partner with us want to grow and gain experience” may explain the complete rejection of the view that the

organisations which partnered with the group defining Factor B preferred partners with no experience in their business.

Unlike the group defining Factor A, the Factor B group, which comprised two white males and one black male, strongly expressed the view that its alliance partners had initiated alliances with it because it possessed the credentials required for compliance with legislation (see item **44** which scored (+4)). This definite view that the group comprising two white males and a black male possessed the credentials may be properly understood by recalling the organisational identity of participant 21 whose organisation did have the required credentials by virtue of his co-owner being a black male.

However, item **33** scored (-3) indicated the group's rejection of the view that it had initiated the alliances with partner organisations because the partner organisations had possessed the credentials required for compliance with legislation. In other words, the group believed that its alliance partners and not it, had initiated alliances with it because it possessed the credentials required for compliance with legislation.

While the group defining Factor B perceived itself as possessing the credentials required by legislation, it also underplayed the significance of credentials and elevated the significance of the performance of tasks by means of the verbatim statement expounding on the reasons for the sorting of the item:

"Any organisation that sells its credentials to potential partners without doing work is bound to fail."

Bearing in mind that the group defining Factor B shared strong views that its trustee organisations had high integrity and that they had initiated the alliance because of the group's credentials and the realisation of its performance credentials, the group's rejection of item **46** which scored (-4) was to be expected. In rejecting item **46** the group was indicating its belief that its partner organisations had not formed a business alliance with group in order to open political doors for the partner organisations, thus providing credence to the group's perception of the integrity of the partner organisations.

As already noted, the verbatim statements made by the group defining Factor B tended to accentuate the basis of its alliances as shared values. In addition, the verbatim statements indicated the group's critical attitude to political expediency in business alliances. In the words of one participant from the group:

"Political opportunism is likely to fail."

The latter statement and similar others may have alluded to the group's possible stance vis-à-vis access to politicians or the opening of political doors. The group defining Factor B had negated the view that its partner organisations had formed a business alliance with it in order to open political doors. This was demonstrated by the score of (-4) for item **46**. The group had also rejected the suggestion that it had formed alliances with its partner organisations so that the partner organisations could open political doors for it. This rejection was illustrated by the negation of item 45, albeit with a very low score of (-1).

In view of the group's perceived high integrity of the partner organisations, the group also rejected the view that it could count on them to acquire contracts from government and other state-owned enterprises on behalf of the alliance. This view was articulated in item **11** which scored (-4). However, the group defining Factor B also appeared to perceive itself as high in integrity:

"I think the issue of a partner who shares values is important. If you base your business relationship on non-business issues like race your business is bound to fail. So we share values and that is why the negatives that denies abuse or misuse of a partner. We always do our share when it comes to alliances."

This embracing of values helped to explain the score of (-1) for item **45**:

45 I feel that I formed an alliance with my partner organisation so that it can open political doors for me (-1).

Items **45** and **47** with weighted composite scores of (-5) and item **46** with a composite score of (-4) revealed the economic empowerment perceptions of the group defining Factor B. The scoring of statement **47** revealed the group's unequivocal rejection of the view that the focal group did

little or nothing and that the trustee organisation did all the work on behalf of the alliance. This may have suggested that the group viewed itself as actively involved in the business of its alliances. The literature review revealed that in non-authentic empowerment alliances, the purported beneficiaries of economic empowerment may either be assigned symbolic roles or serve as façades for economic empowerment (Iheduru, 2004; Van Scheers, 2010). The motive for the non-involvement of the partner may sometimes be to ensure that business skills are not transferred and, consequently, future competition may be neutralised (Das & Teng, 2003). However, this did not appear to be the case for the group defining Factor B comprising 2 white and 1 black males. As already noted, the group believed that its partner organisations did not prefer a partner with no experience:

50 I feel that my partner organisation prefers an alliance partner with no experience in its business (-5).

This stance is corroborated by the following statements made by group members:

“Most of the time, organisations that form relationships with us are interested in the real job allocated us. We have our expertise and they also do. Sometimes we learn from them as much as they learn from us.”

“The organisations that partner with us want to grow and gain experience”.

Also vigorously rejected by the group were intimations that the focal organisations had formed alliances in order to gain access to the political elite. Statements 11, 45 and 46 all reflected a strong rejection that the focal organisations had sought the opening of political doors or access to the political elite. This suggested that the focal organisations may have been involved in business alliances with authentic empowerment and business in mind.

In South Africa, one of the widespread criticisms levelled against the economic empowerment of the previously disadvantaged has been its tendency to enrich the political elite and their cronies (Beall et al., 2008; Iheduru, 2004; Ponte & Van Sittert, 2007). The most serious cases that undermine the economic empowerment initiatives have been widely reported, in particular, issues of fronting and window-dressing, mobile black executives, rent-a-black, “ghost” or “freelance” black directors and managers (Van Scheers, 2010). In South Africa, as in Malaysia, fronting is initiated by the TCs and consented to by the HDIs or individuals who form part of the purported beneficiaries of empowerment initiatives (Gomez, 1996; Iheduru, 2004).

Van Scheers (2010) reported that TCs sometimes generously offer HDIs contracts to serve as their black empowerment partners but, once the bid has been won, they buy their black partners out of the deal. Although this may mean a few millionaires from the previously disadvantaged communities are instantly created, it also makes it impossible to maintain the sustainability of economically empowered HDIs.

The preceding discussions focused on trust issues. Indeed, the issues such as the termination or buying out of a business partner, as recounted by Van Scheers (2010), may be extreme. As reported in the literature, the desire to learn or to access information or knowledge is often one of the reasons why people consent to alliances. Many established businesses fear the risk of opportunism and, if the risk is high, they implement procedures and measures that reduce the transfer of knowledge to the trustee organisation (Das & Teng, 2003). However, as Nielsen (2011) stated, calculative and deterrence trust is applied when pre-specified knowledge only is made accessible.

It may be concluded that, for the group defining Factor B, the sharing of values with partner organisations is an imperative with the partner organisations upholding the values that the focal group holds in high esteem. Therefore, integrity manifesting as adherence to values and augmented by dependability is crucial to relationships with alliance partners. Such values constitute the foundation of the group's alliance relationships and formal contracts are no substitute for them. Dependability and the importance of integrity as exemplified by the espoused values negated the significance of political connections for this group. The group defining Factor B perceived itself to be in authentic alliances in which the partner organisations performed and learnt as much as the focal group.

6.4.4.3 Factor C: Duped trust alliances

Factor C or duped trust alliances comprised a group of focal HDIs who shared a strong view that their TC partners were high in ability trust but were not reliable and were also disinclined to empower them. The view that the TC partners possessed high ability trust was grounded in the perception that these partner organisations were knowledgeable about the industry in which the alliance functioned. On the other hand, the lack of reliability was anchored in the perceptions that the TC partners did not keep their promises while the perceptions that the TC partners were

disinclined to empower the focal group were grounded on the view that the partner organisations performed all the work on behalf of the alliance because they did not want the group defining Factor C to gain business expertise.

(a) *Demographic information*

Five of the participants loaded significantly on Factor C (duped trust alliances), with an eigenvalue of 4.935 that explained 20% of the study variance. The loading participants included five blacks – three males and two females. The group was in a relatively young alliance as was reflected by the duration of their present alliance. On average, the group defining Factor C reported a moderate level of dissatisfaction with the present alliance. Table 6.20 presents the biographical information of the participants defining Factor C.

Table 6.20: *Demographic Characteristics of the Group Defining Factor C*

Respondent Number	Gender	Race	Duration of the Present Alliance	Satisfaction with the Present Alliance	Years of Experience in Alliances
2	Female	Black	1–3 years	2 Moderately dissatisfied	1–3
5	Male	Black	1–3 years	3 Satisfied	1–3
13	Female	Black	1–3 years	1 Extremely dissatisfied	4–6
16	Male	Black	1–3 years	2 Moderately dissatisfied	1–3
20	Male	Black	1–3 years	2 Moderately dissatisfied	1–3

(b) *Interpretation of Factor C (duped trust alliances)*

The information presented in table 6.21 applied to the group defining Factor C. The table included the salient factor scores for the group that defined Factor C. Again, it may be stated that the methodological principles and procedures, such as the primary versus secondary areas of focus, as enunciated earlier are still applicable.

Table 6.21: *Factor C (Duped Trust Alliances)*

Item Number	Statement	Rounded Column
22	I feel that my alliance partner relies on me to acquire contracts from government and other state-owned enterprises on behalf of the alliance	+5
44	I feel that my alliance partner initiated an alliance with my organisation because I have the credentials required for compliance with legislation	+5
39	I feel that my partner organisation is knowledgeable about our industry	+5
46	I feel that my alliance partner formed a business alliance with my organisation so that my organisation could open political doors for it	+4
47	I feel that my organisation does little or nothing and that my alliance partner does all the work on behalf of the alliance	+4
16	I feel that I trust people until they give me a reason not to trust them	+4
5	I feel that my tendency to trust others is high	+4
24	I feel that the government's policy of black economic empowerment compels black and white businesses to form alliances	
27	I feel that others may counted on to do what they promised to do	+3
6	I feel that my partner organisation performs its duties and responsibilities competently	+3
38	I feel that I generally give people benefit of the doubt when I first meet them	+3

Item Number	Statement	Rounded Column
13	I feel that I am able to trust a business partner from a different racial background	-3
21	I feel that my partner organisation keeps its promises	-3
18	I feel that my alliance partner is showing care toward my organisation	-3
20	I feel that regular meetings with my partner organisation facilitate the sharing of business information	-3
9	I feel that I run the risk of my partner organisation stealing my business ideas because I allow the flow of business information to it	-4
23	I feel that I act in a manner that safeguards the interests of my organisation at the expense of the alliance	-4
32	I feel that my partner organisation is dependable	-4
42	I feel that I share information with my partner organisation by closely working on common tasks with it	-4
45	I feel that I formed an alliance with my partner organisation so that it could open political doors for me	-5
33	I feel that I initiated an alliance with my partner organisation because it has the credentials required for compliance with legislation	-5
11	I feel that I am able to count on my partner organisation to acquire contracts from government and other state-owned enterprises on behalf of the alliance	-5

Table 6.21 presents the findings relating to the experiences of the group defining Factor C. Issues and experiences regarding economic empowerment were more salient.

(i) Economic empowerment: TC partners are exploiting us and do not want us to learn

The post-Q sort qualitative interview data provided an orientation to the group's trust experiences in alliances between TCs and HDI in South Africa. A perusal of the data from the

post-Q sort interviews in which the group members expounded on the reasons for their sorting of the items revealed the prominent position of the items relating to economic empowerment. In explaining the reasoning behind the sorting of the cards two of the Factor C group participants explained:

“Even if I did not have experience, he wanted me to do business with him. But, you know what is happening in South Africa. You have the credentials as a black person and he has the skills and the money. What do you do?”

“But, at times, I feel like I am letting myself down because I am not sure and I don’t really know if the guy would still want business with me if I were not a woman and black. That’s why I have scored (+5) for **44**.”

As a group comprising black participants or HDIs, the verbatim statements above undoubtedly reflected the participants’ beliefs that their being black made them attractive to their TC counterparts. The two verbatim statements resonated with the group’s sorting of the items. Given the perceptions expressed in the verbatim statements, the group’s strong perceptions, as expressed in item **22**, that the partner organisations relied on the group to acquire contracts from government and other state-owned enterprises on behalf of the alliance may have been anticipated. The group scored (+5) for item **22**. The focal group of HDIs defining Factor C also simultaneously and unequivocally rejected the view that it depended on its partner organisations to acquire contracts from government and other state-owned enterprises on behalf of the alliance. This stance was encapsulated in the extremely negative score of (-5) for item **11**. It was, thus, clear that the HDIs, and not the partner TCs, acquired contracts on behalf of the alliance.

The issue of the HDIs acquiring contracts on behalf of the alliance was probably the primary reason for the TC partners initiating business alliances with this focal group. The group defining Factor C shared the strong belief that the TC partners had initiated the alliances with it because it possessed the credentials required for compliance with legislation. This was demonstrated by the high score of (+5) for item **44**. The view of the focal HDI group that it had not initiated the alliance was demonstrated in its emphatic rejection of the view that it had initiated business alliance with its partner organisations because these organisations possessed the credentials required for compliance with legislation. This viewpoint was encapsulated in item **33** which

scored (-5). Supplementary evidence that the group had not initiated the alliance with its TC partners was provided by the following statement made by one of the participants defining Factor C:

“You know, the stuff about window-dressing you read about in newspapers is true. Myself, I will not allow it. He chose me because I am an African woman. You know, you think somebody approaches you because he sees talent or potential in you only to find out that he sees an opener of doors and tenders for himself.”

The latter part of the this verbatim statement echoed the group’s strong perceptions that its TC partners had formed business alliance with it so that it could open political doors for them, as shown by item **46** which scored (+4). The notion that this HDI group was able to open political doors implied that it possessed the “correct political credentials” which would facilitate access to politicians and their cronies. Item **45** scored (-5) highlighted that the group had emphatically rejected the view that it had formed alliances with partner organisations so that they could open political doors for it. Reading the scoring of items **46** and **45** together with the two verbatim statements, it became clear that the HDI group defining Factor C shared strong perceptions that their TC partners had initiated alliances because of the group’s perceived political influence.

Two dominant perceptions emerged from the preceding: (1) that the TC partners were perceived to have initiated alliances with their HDI counterparts because the latter possessed the credentials required for compliance with legislation and (2) that the TC partners had initiated alliances with this focal HDI group because of its political influence. However, in both instances, the earnestness of the focal HDI group was personified by its blackness. Further evidence was provided in the following statement:

“But, at times, I feel like I am letting myself down because I am not sure and I don’t really know if the guy would still want business with me if I were not a woman and black.”

For the group defining Factor C, the complexity of the situation was revealed by one participant’s awareness that TCs possessed money and the skills while HDIs possessed the required credentials. This complexity appeared to place HDIs in a delicate situation:

“Even if I did not have experience, he wanted me to do business with him. But you know what is happening in South Africa. You have the credentials as a black person and he has the skills and the money. What do you do?”

Although the group of HDIs defining Factor C had recognised that its credentials were anchored in its blackness the group had not initiated the alliances with its TC partners. However, while conscious of the window-dressing business role into which blacks are often seduced, the group appeared not to have anticipated its TC partners treating it as a façade for black economic empowerment:

“Myself I will not allow it (that is window dressing). He chose me because I am an African woman. You know, you think somebody approaches you because he sees talent or potential in you only to find out that he sees an opener of doors and tenders for himself.”

However, this role was, in some cases, somehow perceived as contributing to or fulfilling a role in the business of the alliance:

“I have a lot at stake in this business. It is not that I am not working hard (contrasting this with reference to her partner organisation who did most of the alliance work). I source the tenders and other work from government and other organisations.”

It is clear from the preceding findings that the group that defined Factor C, which happened to comprise only HDIs, saw its TC partners as treating it as a façade for black economic empowerment:

“My partner thinks I am not clever. When I started with the alliance I was hoping that he would practise what he preached. Now it is clear he was thinking of using me.”

It is worth noting the finding that this HDI group perceived its TC partners as deliberately perpetuating the existing state of the relationship by doing all the work on behalf of the alliance (see item **47**):

47 I feel that my organisation does little or nothing and that my alliance partner does all the work on behalf of the alliance (+4). According to the perception above, the group of HDIs defining

Factor C did little or nothing and all the work was done by the TC partners. The TC partners appeared to be doing all the work on behalf of the alliance because they did not want the group to gain business skills and knowledge (see item **48**):

48 I feel that my alliance partner wants my organisation to gain business expertise (-2).

The implications of the scoring of items **47** and **48** were that the TC partners carried out the duties and responsibilities on behalf of the alliance so that the HDI group defining Factor C did not gain business skills and knowledge. By so doing the TC partners would be able to neutralise future competition from this group of HDIs. Although scored low at (+2), item **49** supported this view:

49 I feel that my alliance partner chose my organisation as an alliance partner to neutralise future competition between our organisations (+2).

The group appeared to be dissatisfied with the association and participation and was seeking more involvement in the business activities of the alliance. In support of the view that the group was seeking more involvement one of the participants defining Factor C stated:

“If they were to look at what we are doing, our contribution is not always significant but, maybe, I also bring something special. I bring projects to this organisation but I want to be more involved in the business. Now I am not that involved. Maybe he does not trust me and I don't trust him.”

In the view of the HDI group defining Factor C, the TC partners were performing the business functions on behalf of the alliance without involving the group. This may have an effect on the part of the TC to exercise control over its business knowledge. The non-involvement of a business partner in business alliance work, even if inadvertently, has the deleterious consequences of thwarting the learning and authentic economic empowerment of the previously disadvantaged or those aspiring to learn (Das & Kumar, 2011; Zhang & Chen, 2015).

(ii) Propensity

Like the group defining Factor A, the group defining Factor C also appeared to be characterised by a high inclination to trust others. As with the group defining Factor A, the group expressed a strong inclination to trust others through the scoring of the propensity to trust items. In fact, the two groups scored the four items related to propensity to trust in a similar way.

Through the scoring of item **5** above, the groups defining Factor A and Factor C expressed the feeling that their tendency to trust others was high (+4). This implied that the two groups tended to have high trust in their partner organisations even prior to information about the partner organisations becoming available. The saliency of propensity to trust was further accentuated by the high score that item **16** received (+4) from both groups. Both groups tended to trust other people until other people gave them a reason not to.

Propensity to trust influences willingness to trust so that those high in propensity to trust are also likely to be high in trust. In addition, propensity to trust also influences the relationship between trust and the elements of trustworthiness (Frazier et al., 2013; Mayer et al., 1995). Therefore, for the two groups, propensity to trust regulated their perceptions of the trustees' trustworthiness. The two groups believed that others could be trusted or depended on to do what they had promised to do until they acted in a manner that eroded the trust. As may be seen from Table 6.21, items **27** and **38** scored (+3), thus lending credence to the high propensity to trust of the HDI group defining Factor C.

As already explained, a trustor's propensity to trust is influenced by factors such as cultural factors as well as past experiences with the alliance partner or other partners. For the group defining Factor C this implied that the group's negative perceptions about the trustworthiness of the TC partners may, at some point, affect the focal HDI group's inclination to trust others. The literature on propensity to trust reveals that, while the construct is relatively stable, it is also susceptible to influence by contextual factors and/or previous experience (Ashleigh & Higgs, 2012; Mayer et al., 1995). The group defining Factor C displayed high propensity to trust. However, the group's experiences with its partner organisations had been largely negative. Thus, for this group, high propensity to trust co-existed with low levels of the TC partners' trustworthiness as were revealed by the group's strong negative perceptions of reliability and benevolence.

(iii) Reliable: Our TC partners do not keep their promises

While the HDI group defining Factor C displayed high propensity to trust, its encounters with the TC alliance partners had been unpleasant and had probably affected its inclination to trust. Unlike the groups defining Factors A and B, and despite its high propensity to trust, the HDI group defining Factor C reported that it had experienced its TC partners as low in reliability (see scores of (-4) and (-3) for items **32** and **21** respectively). This focal HDI group had perceived its partner organisations as not dependable because they did not keep their promises, thus indicating that they were low in reliability.

(iv) Ability: Our TC partners are knowledgeable

As shown by the scores of (+5) and (+3) for items **39** and **6** the group defining Factor C recognised the ability of its TC partners. Unlike the groups defining Factor A and Factor B, this group defined the competence of its TC partners in terms of how knowledgeable the TC partners were about the industry they were in. This was illustrated by the score of (+5) for item **39** which stated that the partner organisation was knowledgeable about the industry in which the alliance was operating. Previously, the HDI group defining Factor C had asserted that its TC partners performed the tasks and duties on behalf of the alliance (item **47** scored (+4)). In the view of this focal HDI group, the TC partners performed the duties and responsibilities competently (see the score of (+3) for item **6**). Therefore, the group defining Factor C experienced its TC partners as highly competent as was evidenced by the competent manner in which they performed the duties and responsibilities of the alliance.

(v) Despite our unpleasant experiences with our TC partners, we have not acted uncaringly

Despite all the negative experiences with its partner organisations, together with the belief that the partner organisations do not show care towards it (item **18** scored (-3)), the group defining Factor C, nevertheless, strongly expressed that it rejected the view that it acted in a manner that safeguarded its interests at the expense of the alliance (see the score of (-4) for item **23**).

- (vi) We have no expertise to share with our knowledgeable TC partners and are yearning to learn from them

In looking at the extent to which the group was willing to share information with its TC partners the scoring of items **9**, **20** and **42** should be interpreted within the context of an HDI group that possessed the credentials required for compliance with legislation but minimal or no business knowledge and expertise to share with the trustee TC. In addition, it must also be considered that this group of HDIs considered the TC partners to be knowledgeable but uncaring and exploitative. This was encapsulated in one of the interviews:

“You can just see somebody who tries to hide information from you ... I don’t think he gives me little money or cheats me financially. With finance he is open. The biggest problem is sharing business information with me. My biggest weakness has been my trusting – but what can I do or say? We have been in this for long and he is still doing things for the business and not including me. It is not that I doubt his skills and knowledge. We can talk and talk.”

It may be deduced from the discussion up to this point that the focal HDI group believed that the TC partners had initiated the alliance, were knowledgeable and performed the alliance tasks without involving the HDIs while this group of HDIs did not act in a manner that safeguarded its interests at the expense of the alliance and generally lacked confidence in its own business abilities. Therefore, the negative score of (-4) for item **9** should be understood within this context and probably imply that, for the focal group of HDIs, there was no risk of the TC partners stealing its business ideas because the HDI group did not possess such ideas. In fact, the group strongly desired such business ideas that the TCs appeared to jealously protect. To amplify this point, both the non-involvement of the HDIs and their lack of confidence in their own business abilities as well as the fact that it appeared that the TC partners wanted to neutralise future competition by ensuring that HDIs did not gain business expertise militated against the notion of the group running the risk of its TC partners stealing its business ideas because of the flow of information to them.

The fact that item **42** scored (-4) revealed that the group defining Factor C did not share information with TC partners by working closely on common tasks. There seemed to be no chance of information being shared with the group as there appeared to be little or no working on common tasks. The TCs were perceived by the focal HDI group to prefer to perform the

tasks and responsibilities on behalf of the alliance. The negation of item **20** with a score of (-3) should also be understood within the same context because there appeared to be little likelihood of regular meetings being held to share business information between the group and its TC partners. As a matter of fact, some of the participants defining Factor C “don’t know this business” and were yearning and endeavouring to increase both their involvement and their business knowledge.

As already stated, to trust does not mean that the trustor needs to risk anything. However, the trustor must take a risk in order to engage in trusting action. The focal HDI group that defined Factor C had nothing to risk as far as business secrets, expertise and knowledge were concerned as these were under the control of the TC partners.

It must be emphasised that business alliances with HDIs are formed primarily as a result of government suasion and legislation. This may partly explain the reason why this focal HDI group, which lacked business skills and knowledge, was approached by the TC partners to form alliances. The black economic empowerment policy seeks to widen the economic base so that it is inclusive of the various population groups. Legislation as diverse as the National Empowerment Fund Act (1998); Competition Act (1998); Preferential Procurement Policy Framework Act (2011) and Black Economic Empowerment, among others, were enacted to realise this policy (Ponte & Van Sittert, 2007).

It was observed that the group defining Factor C had had more unique experiences in the alliances with its business partners than the groups defining Factors A and B. These differences and similarities will be the focal points of discussion when all six factors are compared on the basis of the factor scores that distinguished them.

The findings in relation to the group defining Factor C may be an expression by the focal HDIs defining Factor C that the TC partners were seeking to use the group as façade for black economic empowerment. This suspicion became stronger against the background of the strong perceptions expressed by the group that “I feel that my organisation does little or nothing and that my alliance partner does all the work on behalf of the alliance”. The view that the TC partners appeared not to want this HDI group to gain business expertise was a crucial point to consider. The mode of participating and managing an alliance, as personified by the experiences of the group defining Factors C, had implications for the business skills and

knowledge transfer that may have occurred. However, these implications may be ominous for the focal HDI group as the data revealed that the group hoped and desired to learn about business from its knowledgeable TC partners. For the TC partners the experiences of the focal HDI defining Factor C may have helped to neutralise future competition. Under such circumstances there could be little or no progress in terms of economic empowerment. The focal HDI group had no chance of acquiring business skills and knowledge as it was on the periphery of the business operations by virtue of the fact that it was not performing any business functions. The issue raised by the group defining Factor C was not that the TC partners were deceitful when it comes to finances. As one participant from the group reported, “I don’t think he gives me little money or cheats me financially. With finance he is open. The biggest problem is sharing business information with me.” In the South African context such narratives of TCs using HDIs abound (Van Scheers, 2011).

It may be theorised that, for many HDIs, authentic economic empowerment may remain an aspiration and a delusion when the purported beneficiaries of an economic empowerment system are unable to find meaning or express themselves in their chosen field of economic activity because they do not possess the capabilities to perform the relevant skills and tasks with a substantial degree of autonomy.

In short, the group defining Factor C had experienced its TC partners as competent but unreliable and disinclined to enable the group to acquire business skills and knowledge and, ipso facto reluctant to empower it. Given this observation, it is not implausible to conclude that the focal HDI group shared strong beliefs that the TC partners were using it as a façade for black economic empowerment.

6.4.4.4 Factor D: Vigilant trust alliances

Factor D or vigilant trust alliances comprised a focal group of HDIs who shared strong perceptions that their TC partners possessed strong abilities or competences but also low integrity and reliability trust. The perceptions of strong ability trust were grounded on the following view expressed by one of the participants defining Factor D:

“Make no mistake, TCs are skilful, knowledgeable and have big networks and the financial strength. They control quarries, steel, brick and cement – the items that are on a critical path”.

The low or lack of integrity was grounded on the feelings that its partner organisations were behaving in a dishonest manner towards the group while the lack of reliability was attributed to the lack of consistency between words and actions of the TC partners. As a result, the focal HDI group was forced to rely on a written contract to ensure that the TC partners behaved in an honest way. The group also relied on formal contracts to safeguard against potential opportunism on the part of the TC partners.

The findings on the vigilance trust alliance group defining Factor D are presented below. The characteristics of the group are described first. The group defining Factor D comprised four black participants – three males and one female.

Table 6.22: Demographic Characteristics of the Group Defining Factor D

Respondent Number	Gender	Race	Duration of the Present Alliance	Satisfaction with the Present Alliance	Years of Experience in Alliances
9	Male	Black	4–6 years	3 Satisfied	7+
6	Male	Black	1–3 years	3 Satisfied	7+
17	Female	Black	1–3 years	3 Satisfied	7+
12	Male	Black	7+ years	5 Extremely satisfied	7+

(a) *Interpretation of Factor D (vigilant trust alliance)*

Table 6.23 presents the Factor D arrays. The discussion will centre on this table and the verbatim statements from the post-Q sort interviews.

Table 6.23: Factor D (Vigilant Trust Alliance) Factor Scores

Item Number	Statement	Rounded Column
4	I feel that I rely on the written contract to ensure that my partner organisation performs its duties and responsibilities honestly	+5
22	I feel that my alliance partner relies on me to acquire contracts from government and other state-owned enterprises on behalf of the alliance	+5

Item Number	Statement	Rounded Column
46	I feel that my alliance partner formed a business alliance with my organisation so that my organisation could open political doors for it	+5
15	I feel that trust is the foundation of the relationship with my partner organisation	+4
17	I feel that, when choosing my partner organisation, I am guided by the business skills and knowledge it possesses	+4
26	A formal written contract is important given the potential for risk of opportunism on the part of my partner organisation	+4
36	I feel that beginning with smaller projects and experiencing positive outcomes from these projects increased my perceptions of my partner organisation's trustworthiness	+4
44	I feel that my alliance partner initiated an alliance with my organisation because I possess the credentials required for compliance with legislation	+3
39	I feel that my partner organisation is knowledgeable about our industry	+3
35	The lack of social interaction between black and white people over the years has affected the level of trust in my business partner	+3
24	I feel that the government's policy of black economic empowerment compels black and white businesses to form alliances	+3
18	I feel that my alliance partner is showing care toward my organisation	-3
2	I feel that I am able to trust a business partner from the same racial background	-3
8	I feel that my alliance partner upholds the values that my organisation holds in high esteem	-3
21	I feel that my partner organisation keeps its promises	-3
10	I feel that there is consistency between the words and actions of my partner organisation	-4

Item Number	Statement	Rounded Column
31	I feel that my partner organisation is interested in gaining business knowledge	-4
47	I feel that my organisation does little or nothing and that my alliance partner does all the work on behalf of the alliance	-4
48	I feel that my alliance partner wants my organisation to gain business expertise	-4
19	I feel that my alliance partner behaves in an honest manner towards my organisation	-5
45	I feel that I formed an alliance with my partner organisation so that it could open political doors for me	-5
11	I feel that I am able to depend on my partner organisation to acquire contracts from government and other state-owned enterprises on behalf of the alliance	-5

- (i) Trust and contracts: Despite our belief that trust is the foundation of alliance relationship, we rely on written contracts to safeguard our interests

The group defining Factor D indicated that it relied on the written contract in its relationships with its TC partners. This extremely strong viewpoint of the HDI at the apex of the group's sorting was encapsulated in item 4 which scored (+5). Some organisations in alliances may use formal contracts in anticipation of opportunism, while others may use them only after experiencing tension with partner organisations (Camén et al., 2011). In both instances, partner organisations make use of contracts and other formal mechanisms primarily to ensure the realisation of the alliance goals. The HDI group defining Factor D relied on contracts in its relationships with its TC partners. However, the group also shared the view that trust constituted the foundation of the relationship with its partner organisations. This view was revealed in item 15 which scored (+4) by this focal HDI group. The group defining Factor D appeared to share the view that formal written contracts were important given the potential for risk of opportunism on the part of its TC partners. The group's stance was reflected in item 26 which scored (+4) and which stipulated that a formal written contract was important given the potential for risk of opportunism on the part of partner organisations. The written contract may

become indispensable in ensuring that the TC partners perform their duties and responsibilities honestly.

The discussion above may be erroneously interpreted as the group's steadfast belief in the efficacy of formal written contracts in alliances. In fact, the group strongly expressed the view that trust was the foundation of the relationship with its TC partners. The support for this observation may be found in Table 6.2, item **15** which scored (+4). However, the group's view regarding the notion that formal written contracts were the foundation of the alliance relationship received a low score of (+2), thus signifying its relative lack of significance relative to item **15** which scored (+4):

37 I feel that the formal contract is the foundation of the alliance relationship with my partner organisation (+2).

Superficially, there appeared to be a contradiction between item **4** which expressed the view that the focal HDI group defining Factor D relied on the written contract to ensure that the TC partners performed their duties and responsibilities honestly while item **15** which expressed the group's perception that trust was the foundation of the relationship with the TC partners. However, although trust was fundamental to the HDI group's relationship with the TC partners, on the basis of experience, the group used formal contracts to ensure the latter's honest performance of duties and responsibilities and safeguard itself against the potential risk of opportunism on the part of its TC partners. It was hoped that the next presentation of results would illuminate the issues that had induced the group defining Factor D to rely on formal contracts in order to ensure performance and to safeguard against possible opportunism.

It may be conjectured that the view of the group defining Factor D on both trust and formal contracts was that trust was the foundation of the relationship with its partner organisations. However, the behaviour of the TC partners, specifically their low integrity and reliability as well as the disagreeable economic empowerment experiences of this focal group, as articulated earlier, had resulted in the group using formal contracts to ensure honest performance and minimise the risk of opportunism.

- (ii) Integrity: Our TC partners are not truthful because they do not behave in an honest manner

The group defining Factor D perceived its TC partners as low in integrity. This perception was evidenced in its extremely strong rejection of item **19** with a score of (-5) (see Table 6.23). The focal group vehemently rejected the view that its TC partners had behaved in an honest manner towards it. On the other hand, as was revealed in its positive score of (+5) for item 19, the HDI group defining Factor A had perceived its TC partners as behaving in an honest manner towards it. For the group defining Factor D, the rejection of item **19** revealed the group's feelings that its TC partners had not behaved in an honest manner towards it. In expounding on the reasoning for the sorting of the cards, a participant from the group defining Factor D articulated his experiences of the TCs lack of integrity as follows:

“TCs are not honest. They will not behave in an honest manner. They think blacks are ignorant and don't have experience, for example, in the construction sector the issue of pricing the overheads. They know the HDIs do not have equipment. The loading of plants become a way to deal with the HDI even when you are in alliance. This has the effect of reducing the HDI profit margins. They park a bus to increase the overheads on site even if they are not used just to increase profits on their side. You enter into an alliance with an agreement of 50/50 profit but the expenses from their organisation are overloaded.”

The group's perception that the TC partners did not behave in an honest manner was demonstrated by the group's view that their TC partners did not uphold the values that the group held in high esteem. The support for the view on the low integrity of the TC partners was illustrated by the group's rejection of item **8** with a score of (-3), indicating that the TC partners did not uphold the values that the group held in high esteem. According to this factor, the perceived lack of integrity meant that the group defining Factor D had experienced its TC partners as not truthful because they did not behave in an honest manner towards the group. This view was also supported by the qualitative data from the interviews. In order to be perceived as high in integrity, the trustee organisation should be seen to behave in an honest manner as reflected by its upholding the values that the trustor organisation respects.

(iii) Benevolence: Our TC partners harm our interests

The statement above that TC partners wanted to reduce the profit margins of their HDI counterparts reflected the latter's view that the former did not have either its welfare or its interests at heart, did not care for it and had no goodwill towards it. This assertion was supported by the feeling the group defining Factor D expressed in the verbatim statement above that its TC partners did not show care toward it and also underlined by the score of (-3) for item **18**.

(iv) Reliability: Our TC partners are not consistent

The group defining Factor D expressed a strong negative view towards the reliability of its TC partners. The focal group indicated that its TC partners were not reliable because there was no consistency between their words and actions as shown by item **10** scored (-4). The group's view was that there was no consistency between their words and actions as they did not keep their promises (see the score of (-3) for item **21**).

The findings revealed the focal HDI group's perceptions of low integrity and reliability on the part of the TC partners in alliances with the group.

As an element of trustworthiness, integrity creates a strong connection and attachment between the partners while also enhancing the trust essential for cooperation and collaboration (Silva et al., 2012). Thus, a perceived lack of integrity adversely affects the cooperation and collaboration essential for the achievement of alliance goals. As regards low reliability of its partner organisations, the group defining Factor D may have been at a loss as to what to do and may also not have anticipated how its TC partners were likely to behave in the future. This would have weakened the trust essential for alliance performance.

The low levels of integrity and reliability would have adversely affected trust and may also have impeded the development of trust between the HDI group defining Factor D and its TC partners. Given the focal HDI group's reliance on formal contracts, as enunciated earlier, as well as its negative perceptions of the TC partners' lack of honesty and dependability, trust in the alliances would have been negatively affected. This would have had consequences for the governance, management and monitoring through formal contracts.

- (v) Ability: Our TC partners are skilful, knowledgeable and have big networks and financial strength

As evidenced by the score of (+4) for item **17**, when choosing partner organisations, the group defining Factor D was guided by the business skills and knowledge of the partners. In common with the group defining Factor C, this group perceived its partner organisations as knowledgeable, especially about the relevant industry – see the score of (+3) for item **39**. Providing both support for and further evidence of the importance of the group's perceptions of ability, when explaining the reasoning for his sorting of the items, one of the participants defining Factor D remarked:

“Make no mistake, TCs are skilful, knowledgeable and have big networks and the financial strength. They control quarries, steel, brick and cement – the items that are on a critical path.”

The results of the study also reveal that, at some point in its alliance relationships, the perceptions of trustworthiness and, specifically, the partner organisations' ability may have been precipitated by the positive outcomes that the group had experienced regarding the smaller projects on which the alliances had initially embarked. This assertion was informed by item **36** which scored (+4). In alliances partners may undertake small, initial investments that they see as a pilot project of the alliance. These may be crucial for uncovering information about both the business milieu and the trustworthiness of the parties before both parties commit larger resources to the alliance (McCarter et al., 2011).

It may be surmised that the views of the group defining Factor D were based on negative experiences with its TC partners. These negative experiences were exemplified in the perceived low integrity and reliability of the partner organisations on the part of the group. As a result of these negative experiences, the group which, in fact, regarded trust as the foundation of the relationship with its partner organisations, had invoked written contracts to ensure that the TC partners performed their duties and responsibilities honestly and also to minimise the risk of opportunism.

Rooted in the perceived negative integrity and reliability of the partner organisations, this HDI group's experiences revealed the complex nature of economic empowerment through business alliances between TCs and HDIs. The views enunciated by the group associated with Factor D

exposed the controversies about economic empowerment that continue to plague economic empowerment in South Africa. Under such conditions, it may be difficult for the HDIs and people from previously disadvantaged communities to be truly empowered to the extent that they are able to perform the tasks associated with their own businesses and to find meaning in running their businesses. In order to find meaning, the economic activity chosen should challenge their capabilities to perform business tasks skilfully and with a substantial degree of autonomy in a manner that may influence the economic outcomes of their activity in a desired manner. The accomplishment of the above may provide indications that authentic economic empowerment is happening among the participating HDIs. However, the data suggested that such the realisation of black economic empowerment in the case of the focal HDI group defining Factor D would depend on the group taking the initiative to develop itself.

(vi) Economic empowerment: Our partners are blocking entry into the industry

The following extensive verbatim statement of one of the group members provides an insight into the complexity of the trust issues facing the group that defines Factor D. The statement reveals the group's preoccupation with the issues articulated. This lengthy articulation resonates with the experiences of the group defining Factor D. This will become clearer with the further presentation of the results:

Take, for instance, CAPO, (a pseudonym) – how do you compete with CAPO. It is billions of rand just to set up. CAPO is importing raw materials from overseas and they bring them to the factories which need them. Also, you need capital and credibility to deal with the outside world. Then, they (CAPO) actually form a barrier to entry because what then happens automatically is that the young fellow who wants to enter does not have capital. So he must go to them and ask for a tender price. Let's say we've got a tender for Chemical X. So, CAPO will tender at price X and then the small organisation who wants to enter this market because of its BEE credentials in terms of the 10% allocated to BEE evaluations Then, let's say Company Y goes to CAPO and gets a price from CAPO to tender (compete) for the same tender. So, CAPO will give Company Y price $X + 1$. CAPO already has an advantage with the price over this company. But what's going to happen now is, when you do the valuation, then you are going to allocate them because they are a BEE company with certain credentials. You are going to give them points. So, if CAPO gets 90 points and, let's say, they have got nothing for BEE – this guy might end up with 95 points even if his prices are higher. If it is at 95 point it has got the highest

points and they will award the contract to him. But, as you award the contract to him you know that it's going to go to CAPO. Now for CAPO to barricade this and keep it completely traditional they will then accept – because they are going to do everything for this company but they are not going to involve them in the manufacturing so they will never learn manufacturing. So they'll end up as a marketing company for the bigger company (CAPO). I have companies that I can quote that have been doing this for ten years and not necessarily for Chemical X but for other chemicals. They win the tender every three years, a new tender, but they are not advancing internally in terms of understanding the business because CAPO is barricading it so that there is no competition.

The group defining Factor D believed that its TC partners had formed alliances with it primarily because of the issue of access to contracts from government and other state-owned enterprises. The group shared an extremely strong perception that the TC partners relied on it for the acquisition of contracts from government and other state-owned enterprises on behalf of the alliance. The group's strong affirmation of item **22** which scored (+5) supported this claim which it also shared with the group defining Factor C. Juxtaposing the responses of both Factor C group and Factor D group to items **22** and **11** clearly reveals that it was the HDIs defining Factor C and Factor D which were perceived to be fulfilling the responsibility of ensuring that contracts from government and other state-owned enterprises were acquired on behalf of the alliances and not the TCs. The emphatic rejection of item **11** with a score of (-5) corroborated this view.

The perceived pre-eminence of the acquisition of government and other state-owned enterprises business contracts presupposed that the HDI group defining Factor D wielded the political influence that could facilitate the opening of political doors. In common with the group defining Factor C, Factor D group expressed the very strong viewpoint that its TC partners had formed business alliance with it so that it could open political doors for these TC partners. Item **46** which scored (+5) supported this viewpoint. The HDI group defining Factor D emphatically rejected item **45** with a score of (-5). Item **45** referred to the view that the group had formed alliances with TC partners so that the TC partners could open political doors for it (the group). This emphatic rejection of item **45** lends credence to the view that it was the TC partners and not the focal HDI group that had formed the alliance with political considerations in mind. This implies that this group of HDIs shared the feeling that its TC partners had formed the alliance with it primarily because it could facilitate the acquisition of government contracts based on its

“correct political credentials”. Therefore, like the group defining Factor C, this group shared the view that its TC partners had formed alliances with it for the political expediency which not every HDI could offer.

However, within the South African economic empowerment domain, possessing the “correct political credentials” may imply that this HDI group had access to the political elite or were the cronies of such political elite. Such connections may also imply that one is in a position to facilitate the acquisition of contracts from government and other state-owned enterprises. This implies that, although all HDIs may possess the credentials required for compliance with legislation, not every HDI possesses the “correct political credentials”. It is only those with access to politicians or their cronies which are likely to possess the political influence necessary for “opening political doors”.

Thus, the two groups (groups defining Factors C and D) shared the perception that their TC partners relied on them to acquire contracts on behalf of the alliances because of the groups’ political influence that enabled them to “open political doors”. However, it appeared that the Factor C group was trapped in the role of acquiring contracts and that this had become its primary responsibility because its TC partners were performing all the work on behalf of the alliance, as shown by item **47** with a score of (+4) and the group’s resolve “to start insisting on doing more because I don’t know this business”.

One participant from the group defining Factor D echoed comments that distinguished this group from the Factor C group:

“As a black person you need to be proactive and deliberately learn. You have to go into their systems and check. They do not voluntarily enable you to learn.”

The group defining Factor D perceived its role as transcending the acquisition of contracts and actively and insistently participated in performing the work of the alliance. The group defining Factor D, like those defining Factors A and B, strongly rejected the view that its TC partners did all the work on behalf of the alliance. Item **47** which scored (-4) by Factor D group testified to this.

In comparison to the group defining Factor C, the group defining Factor D expressed a stronger rejection of the view that its TC partners wanted it to gain business expertise. This was revealed in item **48** with a score of (-4). In the view of the group defining Factor D, this implied that the TC partners had not initiated the alliance in order to enhance the group's business skills but primarily because it was able to acquire contracts from government and state-owned enterprises based on its "correct political credentials". In addition, the TC partners were perceived to have initiated the alliance because of the HDI group possessed the credentials required for compliance with legislation as shown in item **44** with a score of (+3).

In expounding on the reasoning for its sorting of the statements the group defining Factor D stated:

"Business alliances with whites don't create authentic empowerment because there is no transfer of business skills. They encourage and make sure you remain dependent."

Based on the perceptions expressed by the group defining Factor D, it may be surmised that, in the South African economic empowerment context, the TC partners may be motivated to form alliances with HDIs so that the latter acquires contracts from government and other state-owned enterprises. It may also be theorised that the acquisition of these contracts would be possible primarily if the HDI possessed the "correct political credentials" or political influence and was prepared to use it. The acquisition of contracts may also be facilitated if the HDI partner possessed the credentials required for compliance with legislation. Accordingly, political credentials or political considerations may sometimes supersede those required for compliance with legislation.

It may also be theorised that, while the TC partner organisations may form alliances with HDIs primarily because of their desire to acquire contracts from government and state-owned enterprises, the HDIs would not be trapped in the role of acquiring contracts if they were "proactive and deliberately learn". It is, thus, plausible to suggest that, in spite of the primary motive of the TC partners to form alliances with HDIs for political expediency, the latter may, by focusing on its principal reasons for being in business or alliances and a concerted effort to learn and develop themselves, elevate and transcend the role of acquiring government contracts to become credible, respected, empowered partners.

Finally, it must be emphasised that the HDI group defining Factor D comprised individuals who were experienced (7 + years of experience in alliances) and who were focused in terms of their participation in alliances with TCs. This HDI group appeared to be extremely aware of the complexities in their alliances and the potential of these complexities to impede their learning and, thus, their economic empowerment. The risk that authentic economic empowerment may be thwarted was alluded to in the qualitative data. Unlike the group defining Factor C, this group was extremely experienced in terms of years in alliances and appeared to have taken the initiative to develop itself by actively participating in the performance of alliances tasks. In this way, the group was building and increasing its business resources, including the desired skills and confidence cited by HDIs such as those in the group defining Factor C.

6.4.4.5 Factor E: deceitful trust alliances

Factor E or deceitful trust alliances comprised a group of focal TCs whose lack of trust in the ability of its HDI partners was grounded on the latter's lack of knowledge about the industry and also inability to make decisions on behalf of the alliance. On the other hand, the TC group's preference for its HDI partners was grounded on its view that these HDI partners could open political doors and acquire contracts from government and other state-owned enterprises on behalf of the alliance. This focal TC group was also safeguarding its interests at the expense of the alliance.

(a) Demographic information

The group associated with Factor E comprised 4 white males – two involved in construction and the other two in manufacturing. Table 6.24 presents the characteristics of this group.

Table 6.24: *Demographic Characteristics of the Group Defining Factor E*

Respondent Number	Gender	Race	Duration of the Present alliance	Satisfaction with the Present Alliance	Years of Experience in Alliances
8	Male	White	1–3 years	4 More than satisfied	4–6
10	Male	White	1–3 years	4 More than satisfied	7+
19	Male	White	1–3 years	4 More than satisfied	1–3
22	Male	White	1–3 years	4 More than satisfied	7+

(b) *Interpretation of Factor E: Deceitful trust alliances*

Table 6.25 presents important information on the experiences of the TC group defining Factor E.

Table 6.25: *Factor E Arrays (Deceitful Trust Alliances)*

Item Number	Statement	Rounded Column
45	I feel that I formed an alliance with my partner organisation so that it could open political doors for me	+5
11	I feel that I am able to count on my partner organisation to acquire contracts from government and other state-owned enterprises on behalf of the alliance	+5
23	I feel that I act in a manner that safeguards the interests of my organisation at the expense of the alliance	+5
25	I feel that the alliance achievements we experienced encouraged me to make a larger investment in the alliance	+4
24	I feel that the government's policy of black economic empowerment compels black and white businesses to form alliances	+4
36	I feel that beginning with smaller projects and experiencing the positive outcomes of these projects enhanced my perceptions of my partner organisation's trustworthiness	+4
12	I feel that the interaction with my partner organisation over time made me positive about its future behaviour	+4
37	I feel that the formal contract is the foundation of the alliance relationship with my partner organisation	+3
34	I feel that my alliance partner cooperates with my organisation on business matters pertaining to the alliance	+3
32	I feel that my partner organisation is dependable	+3
14	I feel that the positive business performance of the alliance enhanced my trust in my partner organisation	+3
50	I feel that my partner organisation prefers an alliance partner with no experience in its business	-3

Item Number	Statement	Rounded Column
31	I feel that the advice that my alliance partner gives my organisation is honest	-3
28	I feel that my partner organisation makes competent decisions on behalf of the business alliance	-3
48	I feel that my alliance partner wants my organisation to gain business expertise	-3
42	I feel that I share information with my partner organisation by working closely with it on common tasks	-4
47	I feel that my organisation does little or nothing and that my alliance partner does all the work on behalf of the alliance	-4
44	I feel that my alliance partner initiated an alliance with my organisation because I have the credentials required for compliance with legislation	-4
39	I feel that my partner organisation is knowledgeable about our industry	-4
49	I feel that my alliance partner chose my organisation as an alliance partner to neutralise future competition between our organisations	-5
22	I feel that my alliance partner relies on me to acquire contracts from government and other state-owned enterprises on behalf of the alliance	-5
46	I feel that my alliance partner formed a business alliance with my organisation so that my organisation could open political doors for it	-5

(i) Economic empowerment: We need our HDI partners to open political doors for us

The group defining Factor E comprised individuals who owned TCs. Two members of the TC group defining Factor E expounded on the rationale for their ranking of the items:

“Of course, sometimes I don’t like our business because ... but, at the same time, it puts bread on my partner’s table and my table. We are able to survive because of our business. The government makes it difficult for white people to acquire businesses. If you want your business

to increase and grow, I have to have a black person even if he does not understand business. Maybe he will understand it as time goes on.”

“There is not much I can say. Business is about opportunities. My partner uses me as much as I use him. This is what black economic empowerment wanted. As a white person I do not have a lock to open political doors but I have a brain to form or do things that will open those doors.”

The above two verbatim statements formed the basis of the group’s reasoning for its sorting of the statements. The TC group defining Factor E, unlike the preceding four groups, expressed a very strong view that it had formed alliances with its partner organisations so that they could open political doors for it. This was clearly illustrated in statement **45** with its extremely high score of (+5). As previously stated, the notion of an HDI being able to “open political doors” implies that it has the “correct political credentials” which facilitate access to the politicians and their cronies. Thus, the focal group defining Factor E had carefully and deliberately chose those HDI partners who would be able to “open political doors” because of their political influence. Also as previously stated, it stands to reason that not every HDI has a political influence and, thus, not every HDI has the capacity to “open political doors”.

The focal TC group also expressed a firm view that its HDI alliance partners had not formed alliances with it so that it could “open political doors” for them (see item **46** with its extreme score of (-5)). These perceptions, together with the second of the preceding verbatim statements, captured the essence of the group’s feelings that its HDI partner organisations played an indispensable role in “opening political doors”.

Based on the finding that the HDIs that partnered with the TC group that defined Factor E were perceived to wield political influence, they could be relied upon to acquire contracts from government and other state-owned enterprises on behalf of the alliance. The group defining Factor E stood out as the only group that emphatically depended on its HDI partners to acquire contracts from government and other state-owned enterprises on behalf of the alliance. This view was illustrated in the emphatic score of (+5) for item **11**. The reliance on the HDI partner organisations to acquire contracts from government and other state-owned enterprises on behalf of the alliance was also supported by the score of (-5) for item **22** (See Table 6.25). By scoring item **22** in this way, the group defining Factor E was clearly rejecting view that its HDI

alliance partners relied on it to acquire contracts from government and other state-owned enterprises on behalf of the alliance.

In light of the TC group defining Factor E identifying and choosing HDI partners that it perceived as politically connected and able to acquire contracts from government and other state-owned enterprises on behalf of the alliance, the notion of the HDI partners choosing the group as a partner in order to neutralise future competition with it and initiating the alliance because the group possessed the credential required for compliance with legislation then sounded illogical. The strong rejection of items **49** and **44** which scored (-5) and (-4) respectively provided evidence that the TC focal group believed that its HDI partners had neither chosen it as a partner nor initiated the alliance with it. Item **49** was emphatically negated by the group defining Factor E because the group did not feel that its HDI partners had chosen it in order to neutralise future competition. One of the respondents expressed the following reasoning for the score awarded to item **48**:

“When I see him I don’t see a competitor but you can never know. You just don’t want to bother him with lots of information. My interests are safeguarded and his money is guaranteed for as long as business does well.”

Indeed, as indicated below, the alliance had been initiated by the TC group defining Factor E because of its perception that its HDI partners possessed the required credentials:

33 I feel that I initiated an alliance with my partner organisation because it has the credentials required for compliance with legislation (+2).

However, the low score of (+2) for item **33** should be carefully considered. The score assigned to the item did not reveal that item **33** per se lacked meaning because the credentials required for compliance with legislation were mandatory. Instead, within the context of the extremely high scores for item **45**, which referred to the ability of the HDI partners to open political doors, and item **11** that stipulated that the HDIs could acquire contracts from government, the significance of meeting legislative requirements is minimised. The issue of credentials in order to meet legislative requirements becomes secondary as both the “opening of political doors” and the “acquisition of contracts” take precedence.

As shown by the following response to item **17**, when the TC group defining Factor E had chosen its HDI partners, it appeared that the skills and knowledge of the latter were not important:

17 I feel that, when choosing my partner organisation, I am guided by the business skills and knowledge it possesses (0).

Based on the preceding findings, the lack of salience revealed by the score of (0) for item **17** did not come as a complete surprise. This may, in fact, have provided a strong intimation of the primacy of the above-mentioned considerations when the TC group defining Factor E had chosen its HDI partners.

As shown above the skills and knowledge of the HDI partners were not of any significance to the focal TCs. In other words the TC group defining Factor E had implicitly expressed the view that the skills and knowledge of its HDI partners had not been of interest to them when it had chosen them as partners. However, this obviously excluded the “skills to open political doors and source contracts from government and other state-owned enterprises”. One of the TC participants defining Factor E echoed this sentiment:

“I think he has his skills and I have my skills. He is good in networking. He knows people. I also know some people but not like him. I also know the business more than him. So we make good partners because of our individual strengths.”

It was not surprising that the focal TC group had found the business skills and knowledge of its HDI partners to be suspect (see items **39** and **28**). Regarding item **39**, the group strongly rejected the view that its HDI partners were knowledgeable about the alliance industry as shown by the score of (-4). In addition, the TC group defining Factor E had also rejected the belief that its HDI partners made competent decisions on behalf of the alliance (see item **28** which scored (-3)).

In view of the findings that the focal TC group defining Factor E perceived its HDI partners as very low in ability, the prospect of the HDI partners doing all the work on behalf of the alliance was remote. It is for this reason that the TC group defining Factor E, in common with those defining Factors A, B and D, rejected the viewpoint that it did little or nothing and that most of the alliance work was performed by its HDI partners. This was reflected in the score of (-4) for

item **47**. One participant from the TC group defining Factor E expounded on his reasons for the sorting of related items as follows:

“Frankly my partner does not seem interested in business. He is interested in money. He is not interested in learning. Of course, I have been good to him.”

However, the reasons for the scoring of item **47** differed for those of the group defining Factor E. The following three groups were involved and shared the alliance work with the group defining Factor A scoring (-4) for item **47** because it fulfilled an active role in the alliance; group B had the real job allocated and HDI group D participating in the work of the alliance because it was proactive, took the initiative and learnt. The TC group defining Factor E carried out the work on behalf of the alliance because it perceived its HDI partners as low in competence and not interested in learning about business.

The opening of political doors implies access to those with political influence and their cronies who may be able *inter alia* to influence the awarding of state tenders. This may happen when HDIs make it possible for the alliances in which they are involved acquire contracts from government and other state-owned enterprises. It is not necessarily improper or wrong for an HDI partner to acquire contracts from government and other state-owned enterprises on behalf of the alliance. However, for the group defining Factor E, the aim of this was to get even with the government for introducing the black economic empowerment legislation which is to the detriment of whites. As one of the participants defining Factor E said:

“Black economic empowerment is the source. It forces us to work with the blacks.”

In the perception of the group defining Factor E, the government’s policy of black economic empowerment compelled black and white businesses to form alliances, as demonstrated by the score of (+4) for item **24**.

Alliances involve the pooling of resources so that both organisations are able to achieve what they could not achieve individually (McCarter et al., 2011; Reutzel et al., 2012). However, for the TC group defining Factor E, alliances with its HDI counterparts were likely to ensure that there was no risk of opportunism and/or knowledge appropriation. The economic benefits were guaranteed for both the focal TCs and the HDI partners. Under these conditions, for the HDI

partners, the probability of deriving from the alliance anything beyond financial gain appeared implausible. The statement by one of the participants defining Factor E supports this assertion:

“He is interested in money. He is not interested in learning.”

It may be inferred from the preceding results that the TC group defining Factor E dominated the alliance affairs. However, the HDI partner organisations also performed a crucial alliance function regarding the acquisition of contracts but, also appeared to have been seen to fulfil a subservient role in terms of the primary function of the alliance. Therefore, it was not improbable to suggest that the group viewed its HDI partners as a façade for black economic empowerment with the locus of control of the alliance residing with the TCs. This supposition was supported by the group’s perception of the ability of the HDI partners (see the scores for items 6, 28 and 39 and the verbatim statements relating to learning and money).

- (ii) Black economic empowerment forced us into business alliances with blacks but had to be creative to make it work

The TC group defining Factor E had formed alliances with its HDI partners because it had felt compelled by the government’s policy of economic empowerment – see item 24 which scored (+4). For this focal TC group, alliances with blacks represented the only way in which to enter into or expand businesses. However, the focal TC group had taken measures to establish the viability of its alliance projects and the trust it could place in its HDI partners. It was interesting to note that this group relied on successfully accomplishing the smaller projects and that it was only the positive business performance of the alliance that enhanced the group’s trust in its HDI partners. Item 14, which scored (+3), supports this observation. It may, therefore, be inferred that the group’s willingness to engage in risky actions such as doing business with its HDI partners was based on its perceptions of risk (possible gains and possible losses). The focal TC’s confidence in the viability of the alliance project was anchored in a strong belief in the efficacy of its HDI partners’ political influence and also that the HDI partners would acquire contracts on behalf of the alliance (see the position of items 45 and 11 placed at the apex of the Q sort distribution).

It appeared that the focal TC group had been in possession of information about the HDI partners, particularly relating to their political influence which was deemed necessary in order to

acquire contracts from government and other state-owned enterprises. In other words, the TC group defining Factor E had deliberately selected its HDI partners because of their political influence or their “skills to open political doors and source contracts from government and other state-owned enterprises”. The HDI partners’ trustworthiness had been established through the positive outcomes of smaller projects. This was supported by the score of (+4) for item **36**. The group indicated low propensity to trust as was reflected by the lack of saliency of items 5, 16, 27 and 38. Relational small wins had played a major role in establishing the trustworthiness of HDI partners.

The TC group defining Factor E indicated that the alliance achievements had encouraged it to make larger investment in the alliance – see item **25** which scored (+4). The positive business performance of the alliance enhanced the group’s trust in its HDI partners. This view was supported by the score of (+3) for item **14**. All these positive experiences are as a result of the initial small investment in the alliance that had reduced the group’s uncertainty about the future behaviour of its HDI partners. This uncertainty had been reduced by the positive business performance of the alliance. See item **3** below and which scored (+2):

3 I feel that, after the initial small investment in the alliance, my uncertainty about the future behaviour of my partner organisation was reduced following the positive business performance of the alliance (+2).

Nevertheless, in spite of the group’s positive experiences discussed above, the group defining Factor E expressed the view that it continued to act in a manner that safeguarded its interests at the expense of the alliance. This was indicated by the very high score of (+5) for item **23** and which highlighted self-centredness of the group defining Factor E. It appeared that the focal group had assumed a definite stance that the black economic empowerment policy worked against the interests of whites and that it should be exploited as much as it exploited whites. As the focal TC group revealed through its strong affirmation of item **12**, the interaction with its HDI partners over time had made it positive about the future behaviour of these partners. Also, as is evident in the following statement, the group supported the view that its HDI partners cooperated on business matters pertaining to the alliance:

34 I feel that my alliance partner cooperates with my organisation on business matters pertaining to the alliance (+3).

The above appeared to suggest that the focal TC group was predatory in its relationship with the HDI partners as it seemed to focus on benefiting itself regardless of the benevolence and generosity of its HDI partners. Clearly, the TC group defining Factor E did not have any interest in ensuring that its HDI partners were economically empowered to enable them to find meaning in the economic activity they were pursuing and by using their capabilities to perform the relevant tasks skilfully and autonomously so that they would be able to influence the economic outcomes of their business activity.

However, to suggest that the group defining Factor E had intentionally prevented any involvement of its HDI partners in the business or that it had not made a concerted effort to empower the HDI partners is not to exonerate the latter (HDI partners) from the responsibility of failing to take the initiative or to apportion the blame but rather to draw a plausible conclusion that the HDIs partnering the group defining Factor E were not, themselves, free from any blame. As is constantly reported, HDIs have consented to act as window-dressing, as mobile black executives, rent-a-black, “ghost” or “freelance” black directors and managers in a bid to make money quickly despite the fact that this will not improve black economic empowerment in the long term (Beall et al., 2008; Van Scheers, 2010).

Given the motive for the alliance as reflected in the verbatim statements and the importance of the black economic empowerment items as revealed by the results presented up to this point, it is plausible to suggest that this group of TCs intended to access business from government and other state-owned enterprises through their HDI partners. In this way, the group was using HDI partners as a façade because the real empowerment of participating and developing the business skills crucial for the latter by enabling them to perform business tasks autonomously was not being realised.

6.4.4.6 Factor F: Inclination to trust alliances

Factor F or inclination to trust alliances comprised a group of focal HDIs whose trust was anchored in a strong propensity to trust. This propensity to trust was grounded on the finding that, in the main, the group tended to give people the benefit of the doubt when it first met them as well as its strong belief that others could be counted on to do what they promised to do. However, the group also believed that lack of interaction between black and white people over the years had affected the level of trust it placed in its TC partners.

(a) *Biographical characteristics*

The group associated with Factor F comprised two black males and one female. Table 6.26 presents the demographics characteristics of this group.

Table 6.26: *Demographic Characteristics of the Group Defining Factor F*

Respondent Number	Gender	Race	Duration of the Present Alliance	Satisfaction with the Present Alliance	Years of Experience in Alliances
1	Male	Black	7+ years	4 More than satisfied	7+
4	Female	Black	1–3 years	Extremely dissatisfied	1–3
7	Male	Black	7+ years	4 More than satisfied	7+

(b) *Interpretation of Factor F*

The information presented in Table 6.27 is vital to the interpretation of Factor F.

Table 6.27: *Factor F Arrays*

Item Number	Statement	Rounded Column
35	The lack of social interaction between black and white people over the years has affected the level of trust in my business partner	+5
38	I feel that I generally give people the benefit of the doubt when I first meet them	+5
15	I feel that trust is the foundation of the relationship with my partner organisation	+5
33	I feel that I initiated an alliance with my partner organisation because it has the credentials required for compliance with legislation	+4
16	I feel that I trust people until they give me a reason not to trust them	+4
5	I feel that my tendency to trust others is high	+4

Item Number	Statement	Rounded Column
44	I feel that my alliance partner initiated an alliance with my organisation because I have the credentials required for compliance with legislation	+4
17	I feel that, when choosing my partner organisation, I am guided by the business skills and knowledge it possesses	+3
12	I feel that the interaction with my partner organisation over time made me positive about its future behaviour	+3
36	I feel that, beginning with smaller projects and experiencing the positive outcomes of these projects, increased my perceptions of my partner organisation's trustworthiness	+3
4	I feel that I rely on the written contract to ensure that my partner organisation performs its duties and responsibilities honestly	+3
27	I feel that others may be counted on to do what they promised to do	-3
41	I feel that my partner organisation is deliberately giving misleading advice	-3
29	I feel that my partner organisation engages in activities that benefit it at my organisation's expense	-3
11	I feel that I am able to count on my partner organisation to acquire contracts from government and other state-owned enterprises on behalf of the alliance	-3
9	I feel that I run the risk of my partner organisation stealing my business ideas because I allow the flow of business information to it	-4
22	I feel that my alliance partner relies on me to acquire contracts from government and other state-owned enterprises on behalf of the alliance	-4
23	I feel that I act in a manner that safeguards the interests of my organisation at the expense of the alliance	-4
2	I feel that I am able to trust a business partner from the same racial background	-4

Item Number	Statement	Rounded Column
45	I feel that I formed an alliance with my partner organisation so that it could open political doors for me	-5
47	I feel that my organisation does little or nothing and that my alliance partner does all the work on behalf of the alliance	-5
46	I feel that my alliance partner formed a business alliance with my organisation so that my organisation could open political doors for it	-5

(i) Propensity to trust: we have mixed inclinations with regard to trusting our TC partners

In common with the groups defining Factors A and C, the focal HDI group defining Factor F shared a strong propensity to trust. This strong inclination to trust others was demonstrated by the group's assertion that it generally gave people benefit of the doubt when it first met them. This is indicated in Table 6.27 by the very high score of (+5) assigned to item **38**. The group generally gave people the benefit of the doubt when it first met them until they provided it with a reason not to trust them – see item **16** which scored (+4). While the group perceived that it had a high tendency to trust others, as demonstrated by the score of (+4) for item **5**, it rejected the notion that others could be counted on to do what they promised to do (see the score of (-3) for item **27**).

Clearly, the group defining Factor F shared a high inclination to trust others with the groups defining Factor A and Factor C. However, unlike the Factor A and Factor C groups, the Factor F group shared the belief that others could not be counted on to do what they had promised to do. This perception that others could not be counted on appeared to be rooted in the experiences of the group. The qualitative data provided by one participant from the group defining Factor F supported the assertion that the group's propensity to trust others may have been affected by certain negative experiences the group had:

“I am a trusting person who gives people an opportunity to prove themselves. I have trusted both black and white people, not because they are black or white but because maybe it made business sense. I have also been disappointed by both black and white companies.”

Propensity to trust remains one of the major determinants of trust but, like the elements of trustworthiness, it may also be influenced by contextual factors (Schoorman et al., 2007). For example, the group defining Factor F expressed a strong view that the lack of social interaction between black and white people over the years had affected its level of trust in its TC business partners. This is supported by item **35** which scored (+5). However, this is not to suggest that, for the group defining Factor F and which comprised black participants or individuals who owned HDIs, race played a prominent role in determining whom the group trusts. The finding that items **2** and **13** scored (-4) and (-2) respectively implied that the group did not necessarily trust partner organisations because of their racial background. In fact, there was a much stronger rejection of item **2**, which referred to trusting a business partner from the same racial background, than for item **13**, which referred to trusting a business partner from a different racial background. Item **35** may simply have underlined the view that, in the South African context, the lack of contact between blacks and whites over the years affected the level of trust of the group defining Factor F in its TC business partners. The following statement by one of the group defining Factor F was pertinent:

“Do you trust a black more than a white organisation? I am neutral about it. I have done well with both blacks and whites and I have also battled with both.”

However, the qualitative data reveal that one participant from the group defining Factor F contradicted the views that the partner organisation’s racial affiliation was of no consequence. The following articulated the participant’s experiences with her TC partner:

“But I was hoping to become a better businesswoman. Maybe I must be patient. I don’t think it will be easy for me to trust white companies in future.”

The above-mentioned experiences were articulated by participant 4. As may be recalled, Q sort 4 correlated significantly with Factor F although the correlation was negative at -0.65, with Factor F revealing a bipolarity between Q sorts 1 and 7, on the one hand, and 4 on the other, with the latter representing the negative pole of the factor. The strong negative loading of participant 4 denoted the opposite experience to those of respondents 1 and 7.

- (ii) Trust is the foundation of our relationship with our TC partners but we use formal contracts as “something to fall back on”

The emphatic approval indicated by item **15** scoring (+5) revealed that the group perceived trust to be the foundation of its relationship with its partner organisations. This response may be contrasted with the group’s response to item **37** which scored (+2) and which stated that the formal contract was the foundation of the relationship with its partner organisations. However, despite the strong belief that trust was the foundation of its relationships with its partner organisations, the group also relied on the written contract to have “something to fall back on” in the event of a lack of or prejudiced performance on the part of the partner organisations and, specifically, to ensure that the partner organisations performed its duties and responsibilities honestly. This was supported by item **4** which scored (+3).

One participant from the HDI group that defined Factor F highlighted the significance of trust and also the reason why contracts were important:

“Shaking hands shows trust and is fundamental in my alliance. If trust is non-existent, you are going nowhere. We need to be open. Sometimes it does not work. You have to work on the basis of trust. So you need a contract as something to fall back on.”

- (iii) Economic empowerment: Our alliances are not based on political expediency

As may be seen from the two scores of (-5) for items **45** and **46** respectively, the group believed that it had not formed an alliance with its partner organisations so that they could open political doors for it nor that its partner organisations had formed alliances so that it could open political doors for them. Germaine to the group’s scoring of items **45** and **46** was the remarks of one participant who belonged to the group defining Factor F:

“I do not believe in political favours. Of course, even black people go into this because they have political connections. We wonder why white people don’t take us seriously at times – we let them buy our faces. I don’t open political doors for anybody or any company. I don’t have partners that open political doors.”

Clearly, the findings discussed above on the experiences of the group defining Factor F intimated a group orientation that would not allow it to count on its partner organisations nor allow its partner organisations to count on it in order to acquire contracts from government and other state-owned enterprises on behalf of the alliance. The scores of (-3) and (-4) for items **11** and **22** respectively supported this observation.

As may be seen from item **33** which scored (+4), the HDI group defining Factor F indicated strongly that it had initiated an alliance because its TC partners possessed the credentials required for compliance with legislation. The group also stated that its partner organisations had initiated an alliance with it because it possessed the credentials required for compliance with legislation (see the score of (+4) for item **44**).

Reading the scoring of items **33** and **44** within the context of the group defining Factor F, it is possible to conjecture that, in the view of the focal group, both parties in the alliance had played a decisive role in the final decision to form the partnerships and that the credentials required for compliance with legislation were not associated with window-dressing. The emphatic rejection of item **47** with a score (-5) together with the statement that “My company does not go into alliances and fold arms” were not compatible with the notions of window-dressing and façades for black economic empowerment. Item **47** stated: I feel that my organisation does little or nothing and that my alliance partner does all the work on behalf of the alliance.

The stance of the group defining Factor F was evidenced by some of the verbatim statements expounding on the group’s Q sorting of the items:

“Like, you can see the negatives items, my company does not go into alliances and fold arms. I have always made sure about our partners and that we do our share.”

In fact, the focal group defining Factor F had, in forming alliances with its TC partners taken into account the competences of these TC partners. As item **17** with a score of (+3) indicated, the group felt that, when choosing partner organisations, it had been guided by the business skills and knowledge they possessed.

- (iv) We have a smooth and open working relationship with out TC partners

It may be recalled that the HDI group defining Factor F had used contracts as “something to fall back on” in the event of a lack of or prejudiced performance on the part of the partner organisations. This was supported by item **4** which scored (+3). While the group defining Factor F appeared to be relatively positive about the ability of its TC partners because, when choosing them as partners, it had been guided by their business skills and knowledge, nevertheless it still relied on written contract. In fact, the focal HDI group relied on the written contract to ensure that the partner organisations performed their duties and responsibilities honestly. In this way, the written contract was used as “something to fall back on”. However, the interaction with its TC partners over time had made the focal HDI group positive about their partners’ future behaviour (see item **12** which scored (+3)). Over time, the focal group had come to feel that it was in possession of sufficient information about its TC partners because it held regular meetings and shared information with them by working closely on common tasks. Items **1**, **20** and **42** demonstrated this:

1 I feel that I have sufficient information about my partner organisation (+2)

20 I feel that regular meetings with my partner organisation facilitate the sharing of business information (+1).

42 I feel that I share information with my partner organisation by working closely on common tasks with it (+2).

A further examination of Table 6.27 revealed that the focal HDI group defining Factor F perceived its TC partners to be caring because they did not deliberately give misleading advice (see item which **41** scored (-3)). The focal HDI also perceived its TC partners to be honest because they did not engage in activities that benefited them at the group’s expense. This was shown by item **29** which scored (-3). Item **9** scoring (-4) showed that the focal HDI group did not feel that it was risking its TC partners stealing business ideas because this allowed a flow of business information to it. The preceding items are cited to demonstrate that, despite the low saliency of the trustworthiness items, the group defining Factor F shared some perceptions of partner trustworthiness and was also high on propensity to trust.

To conclude, six factors were identified and described using the factor scores in the preceding sections. The next section focuses on the distinguishing characteristics of each factor. In doing

so, the Q methodology tenet that factor scores differing by 2 should be given priority because they distinguish one factor from others is adhered to (Brown, 1980; Watts & Stenner, 2005).

6.4.5 What is distinctive about the six factors?

An important precept of Q methodology that should be observed in the interpretation of the factors relates to the criterion for distinguishing the factors scores from each other. According to Brown (1980), as a general rule, the factor scores that differ by 2 are significant and of immediate interest because they distinguish one factor from the others.

Table 6.28 provides the basis for the comparison of the six factors by presenting concise information about the factor scores that distinguished the factors. Only the factor scores that distinguished the factors are included in the table. This means that, of the 50 items which made up the Q sample, only the 24 that distinguished the factors are included in Table 6.28.

The presentation of the results and the discussion are organised in terms of the elements of trust although the individual significant factor scores are used as the basis of the discussion.

Table 6.28: *Factor Scores for Factors A, B, C, D, E and F*

Number	Statement	A	B	C	D	E	F
4	I feel that I rely on the written contract to ensure that my partner organisation performs its duties and responsibilities honestly	-3	-2	+2	+5	+2	+3
7	I feel that my alliance partner works against the interests of my organisation	-5	-2	+1	-1	0	-2
8	I feel that my alliance partner adheres to the values that my organisation holds in high esteem	+1	+5	-1	-3	+1	0
10	I feel that there is consistency between the words and actions of my partner organisation	+2	+3	-1	-4	-1	+1

Number	Statement	A	B	C	D	E	F
11	I feel that I am able to count on my partner organisation to acquire contracts from government and other state-owned enterprises on behalf of the alliance	-4	-4	-5	-5	+5	-3
13	I feel that I am able to trust a business partner from a different racial background	+4	0	-3	-2	0	-2
19	I feel that my alliance partner behaves in an honest manner towards my organisation	+5	+2	0	-5	+1	0
21	I feel that my partner organisation keeps its promises	+2	+5	-3	-3	0	0
23	I feel that I act in a manner that safeguards the interests of my organisation at the expense of the alliance	-3	-4	-4	-1	+5	-4
25	I feel that the alliance achievements we experienced encouraged me to make a larger investment in the alliance	+1	0	+1	0	+4	+1
26	A formal written contract is important given the potential for risk of opportunism on the part of my partner organisation	-1	-2	+2	+4	+2	+1
27	I feel that others may be counted on to do what they promised to do	+3	-1	+3	+1	+1	-3
28	I feel that my partner organisation makes competent decisions on behalf of the business alliance	+1	0	0	-1	-3	0
30	I feel that the advice that my alliance partner gives my organisation is honest	+4	0	-1	0	-1	0
32	I feel that my partner organisation is dependable	+3	+3	-4	0	+3	0
33	I feel that I initiated an alliance with my partner organisation because it has the credentials required for compliance with legislation	0	-3	-5	+1	+2	+4

Number	Statement	A	B	C	D	E	F
34	I feel that my alliance partner cooperates with my organisation on business matters pertaining to the alliance	0	0	0	+1	+3	-1
35	A lack of social interaction between black and white people over the years has affected the level of trust in my business partner	-2	+2	+2	+3	+2	+5
37	I feel that the formal contract is the foundation of the alliance relationship with my partner organisation	-1	-3	+1	+2	+3	+2
38	I feel that I generally give people the benefit of the doubt when I first meet them	+3	-2	+3	+2	0	+5
39	I feel that my partner organisation is knowledgeable about our industry	0	0	+5	+3	-4	+1
45	I feel that I formed an alliance with my partner organisation so that it could open political doors for me	-5	-1	-5	-5	+5	-5
47	I feel that my organisation does little or nothing and that my alliance partner does all the work on behalf of the alliance	-4	-5	+4	-4	-4	-5
49	I feel that my alliance partner chose my organisation as an alliance partner to neutralise future competition between our organisations	-2	-3	+2	-2	-5	-1

6.4.5.1 Integrity experiences items distinguishing Factors A, B and D

(a) Bipolarity between the groups defining Factor A and Factor D: Honesty and dishonesty

In Table 6.28, item **19** revealed a bipolarity between the groups defining Factor A (sincerity trust alliances) and Factor D (vigilant trust alliances). The predominantly HDI group defining Factor A or the sincerity trust alliance group was at the positive pole, scoring the item as (+5) while the HDI group defining Factor D scored the item negatively with a score of (-5). This meant that

groups defining Factor A and Factor D were both significantly loaded on item **19**, but at opposite poles.

The predominantly HDI group defining Factor A had experienced its largely TC partners as high in integrity because they had behaved in an honest manner towards it. This perception of honesty was supported by the honest advice that the group received from its partner organisations. The group defining Factor D was at the negative pole of item **19**. This HDI group was fully aware of its partner organisations' dishonesty. This was supported by the perception that the TC partners did not uphold the values that the group held in high esteem and also because the TC partners were deliberately giving the HDI group misleading advices. The qualitative data derived from the group's verbatim statements supported the group's experience of its TC partners as dishonest: "TCs are not honest. They will not behave in an honest manner"

(b) Factor A (sincerity trust alliances): Our partners give us honest advice

The predominantly HDI group defining Factor A had also experienced its largely TC partners as high in integrity because they gave the group honest advice. Item **30** distinguished the group defining Factor A from the other groups and provided supported its perception of the honesty of its predominantly TC partners. The focal group defining Factor A reported that the advice that its partner organisations gave was honest and not misleading.

On the basis of items **19** and **30** as well as the qualitative data, one may observe that the group defining Factor A had experienced its partner organisations as extremely high in integrity.

- (c) *Factor B (values trust alliances): Our alliance partners adhere to the values that we hold in high esteem*

The group defining Factor B comprised one black and two white males. Item **8** distinguished the group defining Factor B from the other groups. The group defining Factor B had experienced its partner organisations as high in integrity because they upheld the values that the group held in high esteem. This adherence to the esteemed values was demonstrated by the partner organisations' truthful advice and honest behaviour towards the group defining Factor B. For example, the group vehemently rejected the view that its partner organisations were deliberately giving it misleading advice (see item **41** with a score of (-5)). The qualitative data was also crucial in identifying the salient position of integrity for the group defining Factor B.

6.4.5.2 Benevolent item defining Factor A

- (a) *Factor A (sincerity trust alliances): Our largely TC partners do not work against our interests*

Item **7** distinguished the predominantly HDI group defining Factor A from the other groups, highlighting its strong belief that its largely TC partners as high in benevolence because they did not work against its interests. Item **7**, as presented in table 6.28, was relevant. This perception was supported by the view that the group's the partner organisations did not engage in activities that benefited them at the group's expense (see by item **29** which scored (-4)). The group defining Factor A was the only group that loaded significantly on the perception that its partner organisations were benevolent or considerate.

The significance of the biographical information of the group is highlighted by the fact that the focal group of predominantly HDIs experienced its largely TC partners as trustworthy because they did not work against its interests by engaging in activities that benefited them at the expense of the group.

6.4.5.3 Reliability items defining Factors B, C and D

- (a) Factor B (values trust alliances): Our partner organisations keep their promises

Item **21** differentiated the group defining Factor B from the other groups. The item revealed that the group defining Factor B had experienced its partner organisations as highly reliable because they kept their promises. Item **21**, presented in Table 6.28, was relevant. The score (+3) for item **32** also provided evidence that the fact that the partner organisations kept their promises demonstrated their high dependability. Further evidence that the partners kept their promises was provided by the consistency between their words and actions (see item **10** which scored (+3)) and their good behaviour as manifested in their adherence to the agreements entered into (see item **43** which scored (+3)).

- (b) *Factor C (duped trust alliances): Our TC partners are undependable because they do not keep promises*

Item **32** distinguished Factor C group from the other groups. The HDI group defining Factor C viewed its TC partners as unreliable because they did not keep their promises. The perception that they were not dependable and did not keep their promises rendered the TC partners low in reliability and, thus, less trustworthy than may otherwise have been the case. Item 32 presented in Table 6.28 is applicable here.

- (c) *Factor D (vigilant trust alliances): There is no consistency between the words and actions of our partner organisations*

Item **10** differentiated the group defining Factor D from the other groups. The HDI group that defined Factor D calls into question the reliability of its TC partners. The relevant information is presented in Table 6.28. The group's contention that its TC partners were low in reliability was based on the lack of consistency between the latter's words and actions as demonstrated by the fact that they did not keep their promises.

There was a contrast evident between the group defining Factor B, on the one hand, and groups defining Factor C and Factor D on the other regarding the reliability of their partner organisations. Whereas the group defining Factor B rated its partner organisations' reliability highly because they kept their promises, the Factor C group had experienced its TC partners as

unreliable because they had shown themselves not to be dependable by not keeping their promises. Similarly, the group defining Factor D had experienced its TC partners as low in reliability because the lack of consistency between their words and actions as evidenced by their failure to keep their promises.

It was observed that the group defining Factor B and the groups defining Factor C and Factor D were located at opposite ends of the reliability pole. The group defining Factor B was at the positive end as was shown by its experience of its partner organisations as reliable because they kept their promises. On the other hand, the groups defining Factor C and Factor D had experienced their partner organisations as unreliable because they did not keep their promises.

6.4.5.4 Ability/competence items defining Factors C and E

(a) Factor C (vigilant trust alliances): Our partner organisations are knowledgeable about our industry; E (deceitful trust alliances): Ours lack knowledge

Item **39** distinguished the group defining Factor C and Factor D from the other groups. Item **39** was revealed to be bipolar as both the group defining Factor C and the group defining Factor E were significantly loaded on the item. On the other hand, the group defining Factor C was at the positive pole of item **39**.

The HDI group defining Factor C felt strongly that its TC partners were knowledgeable about their industry, scoring item **39** as (+5). The group also ascribed high competence or ability to its TC partners as was evidenced by its affirmation of item **6** which scored (+3), namely, that they performed their duties and responsibilities competently. Thus, the group defining Factor C experienced its TC partners as highly competent in light of their knowledge about the industry as well as the competent manner in which they performed the duties and responsibilities of the alliance. To suggest that a partner organisation is knowledgeable about its industry and its performance of its duties and responsibilities demonstrates competent trust in the TC partners. In other words, the HDI group defining Factor C had experienced its TC partners as high in ability trust.

While the above revealed that the group defining Factor C had experienced its partner organisations as knowledgeable about the industry in which the alliance operated, the TC group defining Factor E had experienced the opposite. This is shown by the bipolar item **39**.

The TC group defining Factor E had experienced its HDI partners as lacking knowledge about the industry in which the alliance was operating. This was, however, not surprising in view of the fact that this focal TC group had chosen its HDI partners without taking into account their business skills and knowledge – see the indifferent score of (0) for item **17**. The verbatim statements also provided evidence of the group's perception of its HDI partners as low in competence, for example:

“The government makes it difficult for white people to acquire businesses. If you want your business to increase and grow, I have to have a black person if you want it grow even if he does not understand business. Maybe he will understand it as time goes on.”

Item **39** revealed interesting data pertaining to the groups defining Factor C and Factor E. Firstly, the group defining Factor C comprised 5 blacks, three of whom were males, while the group defining Factor E comprised 4 white males who owned TCs. Both the groups defining Factor C and Factor E shared the shortest duration of one to three years in the present alliance. However, at the same time, the group defining Factor C was moderately dissatisfied with its present alliance while the group defining Factor E indicated a more than satisfied overall satisfaction with its present alliance.

The qualitative data revealed that the group defining Factor C had actually been approached by its TC partners to form alliances with them. This was supported by the group's responses to items **33** and **44**. The data also revealed that the group suspected and, in some cases, believed that its TC partners were using it as a façade for black economic empowerment. Conversely, the group defining Factor E had taken the initiative by approaching its HDI partners to form alliances with it. It was surmised from the interview data that the group defining Factor E was deliberately using HDIs as a façade for black economic empowerment.

(b) *Factor E (deceitful trust alliances): Our HDI partners do not make decisions on behalf of the business alliance*

Item **28** distinguished the group defining Factor E from the other groups. Linked to the preceding perceptions of the group defining Factor E that its HDI partners were not knowledgeable about the alliance's industry the alliance was the view that they did not make competent decisions on behalf of the alliance. This was shown in Table 6.28. The interview data had also indicated that the HDI partners of this focal group were not making decisions for the alliances, let alone competent decisions. As one participant from the group defining Factor E articulated:

"Frankly, my partner doesn't seem to be interested in business. He is interested in money. He is not interested in learning."

6.4.5.5 *Trust and economic empowerment items defining Factors C and E*

(a) *Factor C (duped trust alliances): We did not initiate an alliance with our TC partners*

Item **33** distinguished the group defining Factor C from the other groups. Earlier it was contended that the verbatim statements had revealed that the group defining Factor C had actually been approached by the TC partners to form alliances with them. Therefore, item **33** should be interpreted as the group's rejection that it had initiated an alliance with its TC partners. This view was supported by the group's response to items **44**, indicating that its TC partners had initiated an alliance with it because, as black people and owners of the HDIs, they possessed the credentials required by legislation. However, in the opinion of the group defining Factor C, its legislative credentials had represented for its TC partners a way to the contracts from government and other state-owned enterprises (see item **22** which scored an emphatic (+5)). The HDI group that defined Factor C was of the opinion that the TC partners had initiated alliances with it primarily because of this economic benefit.

(b) *Factor E (deceitful trust alliances): We formed an alliance with our HDI partners so that they could open political doors for us*

Item **45** distinguished the group defining Factor E from the other groups. In the preceding paragraph it was expressly stated that the group defining Factor C believed that its TC partners had initiated an alliance with it because it possessed the credentials required for compliance with legislation. However, the TC group defining Factor E articulated that, contrary to the other groups' voices, that it had formed an alliance with its HDI partners primarily so that they could open political doors for it.

The focal TC group defining Factor E rejected the view that its HDI partners had formed the alliances with it so that it could open political doors for them (see item **46** which scored (-5)). Therefore, for the group defining Factor E the political influence of its HDI partners had been more influential than the credentials required for compliance with legislation. Juxtaposing the responses of this focal group to items **33** and **45** which scored (+2) and (+5), respectively, revealed that the group defining Factor E had taken into account the important role played by the political connection of its HDI partners and allowed these overshadow the credentials required for compliance with legislation. It may, of course, be that not every HDI possesses the credentials required for opening political doors for TCs in general. On the other hand, it had been anticipated that the HDI partners' political influence would facilitate the meeting of the economic need of the group defining Factor E for contracts from government and other state-owned enterprises.

(c) *Factor E (deceitful trust alliances): Our HDI partners acquire contracts from government and other state-owned enterprises on behalf of the alliance*

Item **11** distinguished the group defining Factor E from the other groups. Previously it was noted that the TC group defining Factor E had formed alliances with its HDI partners so that they could open political doors for the group. Their political credentials had made it possible for the HDI partners to acquire contracts from the government and other state-owned enterprises on behalf of the alliance (see item **11** which scored (+5)). However, the focal group of TCs strongly acknowledged that its HDI partners did not rely on it to acquire such contracts as was evidenced by the score of (-5) for **22**. The group's views that it had no other choice but to partner with blacks support the ranking of items **11** and **22**.

(d) *Factor E (deceitful trust alliances): We safeguard our interests at the expense of the alliance*

Item **23** distinguished the group defining Factor E from the other groups. Despite the overwhelming and incredible gains that had accrued to it as a result of the contracts acquired by its HDI partners, the TC group defining Factor E continued to act in a manner that safeguarded its interests at the expense of the alliance.

The group's verbatim statements expressed its abhorrence of black economic empowerment:

"Black economic empowerment is the source. It forces us to work with the blacks."

"There is not much I can say. Business is about opportunities. My partner uses me as much as I use him. This is what black economic empowerment wanted. As a white person I do not have a lock to open political doors but I have a brain to form or do things that will open those doors."

(e) *Factor C (vigilant trust alliances): Our alliance partners do all the work on behalf of the alliance because they do not want us to gain business expertise*

While the TC partners of the group defining Factor C were viewed as knowledgeable and performed the alliance work competently, the group did not intend to empower the focal HDIs to enable them to develop their business skills and knowledge. This contention derived from the experiences of the focal HDI group defining Factor C that it did little or nothing and the TC partners did all the work on behalf of the alliance (see the score of (+4) for item **47**).

As item **48** and the reverberating voices in the post-Q sort interviews attested, the TC partners did not want the HDI group defining Factor C to gain business expertise, thus ensuring future competition between them was neutralised.

(f) *Factor E (deceitful trust alliances): Our HDI partners cooperate with us on business matters pertaining to the alliance*

Item **34** distinguished the group defining Factor E from the other groups. The results cited above revealed the way in which the group defining Factor E interacted with its HDI partners. The group tended to protect its interests at the expense of the alliance despite the previously referred to gains made by the focal TC group as a result of its association with its HDI partners.

In addition to these gains, the focal TC group had HDI partners that cooperated with it on business matters pertaining to the alliance (item **34**).

(g) *Factor E (deceitful trust alliances): The alliance achievements we experienced encouraged us to make larger investment in the alliance*

Item **25** distinguished the group defining Factor E from the other groups. Over time and as a result of the cooperation from its HDI partners on business matters pertaining to the alliance, the group defining Factor E had been encouraged by the alliance achievements to make larger investment in the alliance. This may have implied that, while the group defining Factor E may have anticipated benefits such as those from the contracts with government, it initially had made a smaller investment in smaller projects in order to establish the trustworthiness of its HDI partners and assess the viability of the alliance. The larger investments had been made after the initial small investment in the alliance and which had reduced the group's uncertainty about the future behaviour of its HDI partners following the positive business performance of the alliance. The positive business performance of the alliance had reduced the group's uncertainty regarding the future behaviour of its HDI partners and their trustworthiness. Items **36**, **14** and **3** provided support for this observation.

(h) *Factor E (deceitful trust alliances): Our HDI partners did not choose us as an alliance partner to neutralise future competition*

Item **49** distinguished the group defining Factor E from the other groups. The group defining Factor E felt strongly that its HDI partners had not chosen it as an alliance partner in order to neutralise future competition between them. As already noted, the focal group defining Factor E had chosen its HDI partners based on its the criteria of political influence and the credentials required for compliance with legislation. This was evidenced by the scores for items **45** and **33**. Item **49** which scored (-5) also supported this assertion. The group had experienced its HDI partners as only "interested in money" and not in learning. The focal group of TCs may not have shared any information with the HDI partners because the latter were interested only in money. It appeared that, because the group believed that its HDI partners were not interested in learning, it had not shared information by closely working on common tasks with them (see item **42** which scored (-4)). In other words, the group did not share information with its HDI partners

because they (HDI partners) appeared not interested in gaining business knowledge (see item **31** which scored (-3)). This is expressed in the following verbatim statement:

“He is not interested in learning.”

6.4.5.6 *Trust and contracts items defining Factors A, B and D*

(a) *Factor B (values trust alliances): The formal contract is not the foundation of our alliance relationship*

Item **37** distinguished the group defining Factor B from the other groups. The relevant information is presented in Table 6.28. By its negation of item **37**, the group asserted that the formal contract was not the foundation of the alliance relationship with its partner organisations. This view was based on the group’s strong conviction that trust was the foundation of the relationship with its partner organisations and exemplified by item **15** which scored (+5). Further support for the peripheral role of contracts was evident in the view that the group defining Factor B did not even rely on contracts to ensure that its partner organisations performed their duties and responsibilities honestly (see item **4** which scored (-2)). The group continued to regard formal contracts as unimportant even when the element of risk of opportunism on the part of the partner organisations was raised (see item **26** which scored (-2)). The group’s rejection of formal contracts as the foundation of relationships may have been the result of its positive experiences regarding the integrity, reliability, competence of its partner organisations and stemming from their interaction over time.

(b) *Factor D (vigilant trust alliances): We rely on the written contract to ensure that our TC partners perform honestly*

Item **4** distinguished the group defining Factor D from the other groups. It has been reported that the HDI group defining Factor D had experienced its TC partners as lacking in integrity because of their dishonesty as evidenced by both their failure to adhere to the values that the group held in high esteem and the deliberate misleading advice they had given to the group. As a result the group viewed them as untrustworthy. It has also been reported that the HDI group defining Factor D, much like the group defining Factor C, had experienced its partner organisations as undependable. The group defining Factor D had experienced its TC partners as undependable because of the inconsistency between their words and their actions and their

failure to keep promises. As a result, this focal group had experienced its TC partners as untrustworthy. Consequently, the group defining Factor D relied on the written contract to ensure that its TC partners performed their duties and responsibilities honestly.

(c) *Factor D (vigilant trust alliances): We rely on the formal contract to safeguard ourselves against potential opportunism on the part of our TC partners*

Item **26**, which differentiated the group defining Factor D from the other groups, was linked to the preceding findings. As a result of the lack of integrity and reliability of its TC partners, the group defining Factor D used the formal contract to safeguard its interests against the risk of opportunism on the part of its TC partners. During the interviews this group enunciated the risk of opportunism on the part of its TC partners.

The trustee may choose to behave opportunistically in order to maximise self-interests at the expense of the trustor or the alliance and subordinate the collaborative interests of the joint alliance (Kang & Jindal, 2014; Park & Ungson, 2001).

The debilitating effects of the TC partners' dishonesty, lack of dependability and disregard for the interests of the HDI group defining Factor D had given rise to the latter's view that formal contracts were important to ensure the honest performance of duties and responsibilities. It is important to note that the use of contracts to ensure performance did necessarily mean negating the competence and ability of the TC partners which, in fact, the group defining Factor D regarded highly (see item **17** which scored (+4) and the statement "Make no mistake, TCs are skilful, knowledgeable and have big networks and the financial strength". Although sharing a strong view that trust was the foundation of the relationship with its partner organisations (see item **15** which scored (+4)), the HDI group defining Factor D had been forced to rely on formal contracts because its TC partners' behaviour was exemplified by dishonesty, undependability and a lack of consideration for the group's interests.

6.4.5.7 Trust and contextual factors items defining Factors A and F

- (a) *Factor A (sincerity trust alliances): We trust a business partner from a different racial background*

Item **13** distinguished the group defining Factor A from the other groups (see Table 6.28). The group defining Factor A indicated that it would trust business partners from a different racial background. This implied that this group of predominantly HDIs trusted its business partners who happened to be predominantly white and the owners of TCs. The trust of partners from a different racial group was predicated on the group's perceptions of the high ability, integrity and benevolence trust towards its predominantly TC partners as well as the group's high propensity to trust.

- (b) *Factor F (inclination to trust): We feel that lack of social interaction between black and white people over the years has affected the level of trust we have on our TC partners*

Item **35** distinguished the group defining Factor F from the other groups. The group defining Factor F felt strongly that the lack of social interaction between black and white people over the years had affected the level of its trust for its TC partners, as shown by item **35** which scored (+5). This may help to explain why the group defining Factor F relied on written contracts to ensure that its TC partners performed their duties and responsibilities honestly, as shown by item **4** which scored (+3). Unlike the group defining Factor D, this group relied on contracts so as to have "something to fall back on" in the event of a lack of or prejudiced performance on the part of its TC partners.

The group defining Factor F also regarded formal written contracts as something to fall back on in the event of opportunism on the part of its TC partners. This was evidenced by the related verbatim statement and the low score of (+1) assigned to item **26**. Item **26** stated:

26 A formal written contract is important given the potential for risk of opportunism from my partner organisation (+1)

This low score implied that formal contracts played a peripheral or insignificant role in the group's business relationship with its TC partners. This view was supported by the group's strong belief that trust was the foundation of its relationship with its TC partners (see item **15**

which scored (+5)). More direct evidence for the group's stance on trust vis-à-vis contracts was provided by its low score of (+2) for item **37**. Juxtaposing the scores for items **15** and **37** supported the view that trust, and not formal contracts, played a vital and indispensable role in this group's relationship with its TC partners.

The group's perceptions of its TC partners' trustworthiness were not, however, founded on or influenced by the race affiliation of its partners (see the scores for items **2** and **13** of (-4) and (-2) respectively). These two statements implied that the group defining Factor F would not trust a business partner based merely racial background. The notion of trust as the foundation of its relationship with its TC partners and highlighted by the extremely high score of (+5) negated the significance of the racial affiliation of the group's partners.

6.4.5.8 Propensity to trust items defining Factor F

(a) *Factor F (inclination to trust): We generally give people the benefit of the doubt when we first meet them*

Item **38** distinguished the group defining Factor F from the other groups. Linked to the preceding discussion was the HDI group defining Factor F's feeling that it had a high inclination to trust others. This high inclination to trust was reflected in the group's tendency to give people benefit of the doubt when it first met them (see item **38** which scored (+5)). This high score for item 38 together with the scoring of the subsequent item **27** may partly have helped explain the high level of trust that the group had for its TC partners.

(b) *Factor F (inclination to trust): We feel that others may be counted on to do what they promised to do*

Factor **27** distinguished the group defining Factor F from the other groups. The relevant information is presented in Table 6.28. The group defining Factor F was of the view that others could be counted on to do what they had promised to do. This view was linked to the view expressed by the group (discussed above) that it gave people the benefit of the doubt when it first met them, thus accentuating its propensity to trust. However, such trust was placed in others until they gave the group a reason not to trust them by taking advantage of its vulnerabilities such as behaviour which was contrary to its expectations.

The group defining Factor F comprised only blacks or individuals who owned HDIs. However, the group insisted that its alliances with its TC partners were not the result of political influences with the group and its TC partners not relying on each other to acquire contracts from government and other state-owned enterprises. The group was as involved in the business activities of the alliance as its partners. It may be that the group revealed another perspective or reality about business alliances between TCs and HDIs, namely, that it is possible for such business alliances to thrive even outside of political considerations.

Thus, to recapitulate what has already been achieved so far. The factor analysis process revealed the existence of six factors. In the lexicon of Q methodology, the participants classified themselves into six clusters by virtue of their Q-sorts being either similar or dissimilar to each other. Persons with similar trust experiences in alliances between TCs and HDIs showed similar Q sorts and ended up on the same factor. As previously explained, the factor scores show that clusters of people have grouped the statements in fundamentally similar or dissimilar ways and, in doing, revealed the existence of similar and dissimilar experiences (Ray, 2011). In line with the tenets of Q methodology, the factors were first discovered and labelled *a posteriori*. The factors were labelled on the basis of their narratives. The post-Q sort interview data played a pivotal role in supplementing and amplifying the factors. Table 6.29 presents the six factors and the items that distinguished them.

Table 6.29: *Statements Distinguishing the Factors*

Number	Statement	A	B	C	D	E	F
4	I feel that I rely on the written contract to ensure that my partner organisation performs its duties and responsibilities honestly				X		
7	I feel that my alliance partner works against the interests of my organisation	X(-)					
8	I feel that my alliance partner adheres to the values that my organisation holds in high esteem		X				

Number	Statement	A	B	C	D	E	F
10	I feel that there is consistency between the words and actions of my partner organisation				X(-)		
11	I feel that I am able to count on my partner organisation to acquire contracts from government and other state-owned enterprises on behalf of the alliance					X	
13	I feel that I am able to trust a business partner from a different racial background	X					
19	I feel that my alliance partner behaves in an honest manner towards my organisation	X			X(-)		
21	I feel that my partner organisation keeps its promises		X				
23	I feel that I act in a manner that safeguards the interests of my organisation at the expense of the alliance					X	
25	I feel that the alliance achievements we experienced encouraged me to make larger investment in the alliance					X	
26	A formal written contract is important given the potential for the risk of opportunism on the part of my partner organisation				X		
27	I feel that others may be counted on to do what they promised to do						X
28	I feel that my partner organisation makes competent decisions on behalf of the business alliance					X(-)	
30	I feel that the advice that my alliance partner gives my organisation is honest	X					
32	I feel that my partner organisation is dependable			X(-)			

Number	Statement	A	B	C	D	E	F
33	I feel that I initiated an alliance with my partner organisation because it has the credentials required for compliance with legislation			X(-)			
34	I feel that my alliance partner cooperates with my organisation on business matters pertaining to the alliance					X	
35	The lack of social interaction between black and white people over the years has affected the level of trust in my business partner						X
37	I feel that the formal contract is the foundation of the alliance relationship with my partner organisation		X(-)				
38	I feel that I generally give people the benefit of the doubt when I first meet them						X
39	I feel that my partner organisation is knowledgeable about our industry			X		X(-)	
45	I feel that I formed an alliance with my partner organisation so that it could open political doors for me					X	
47	I feel that my organisation does little or nothing and that my alliance partner does all the work on behalf of the alliance			X			
49	I feel that my alliance partner chose my organisation as an alliance partner to neutralise future competition between our organisations					X(-)	

The summary and table above provide evidence of that an assessment of the trust experiences of individuals who have participated in alliances between TCs and HDIs has been conducted. By implication, this means that the first empirical aim of the study has been addressed. The first empirical aim of the study was as follows:

Research aim 1: To assess the trust experiences of individuals who have participated in alliances between TCs and HDIs.

The assertion that this research aim has been addressed was supported by the elucidation of the six factors and the factor scores which revealed the existence of six clusters of similar and dissimilar experiences of trust in business alliances between TCs and HDIs in the South African empowerment context. The detailed presentation of the six clusters of experiences, together with the more concise representation of their distinguishing characteristics (factor arrays), both support the claim that the trust experiences of individuals who have participated in alliances between TCs and HDIs have been uncovered.

The six factors and the items that distinguish each are presented in tables in the following pages as further evidence that the first empirical aim of the research has been achieved. Tables 6.30 to 6.35 are, thus, appropriate as they lend support to the assertion that the empirical aim of the study has been realised.

Table 6.30: *Factor A: Sincerity Trust Alliances*

Element	Item number	Item
Integrity	19	We feel that our alliance partners behave in an honest manner towards our organisations
Integrity	30	We feel that the advice that our alliance partners give us are honest
Benevolence	7	Our partners do not work against our interests
Contextual factors	13	We trust a business partner from a different racial background

Table 6.31: *Factor B: Values Trust Alliances*

Element	Item number	Item
Integrity	8	Our business partners adhere to the values that we hold in high esteem
Reliable	21	Our partner organisations keep their promises
Trust and contracts	37	The formal contract is not the foundation of our alliance relationship

Table 6.32: *Factor C: Duped Trust Alliances*

Element	Item number	Item
Reliable	32	Our TC partners are undependable because they do not keep their promises
Competence	39	Our partner organisations are knowledgeable about our industry
Trust and economic empowerment	47	Our alliance partners do all the work on behalf of the alliance because they do not want us to gain business expertise
Trust and economic empowerment	33	We did not initiate an alliance with our TC partners because it has the credentials required for compliance with legislation

Table 6.33: *Factor D: Vigilant Trust Alliances*

Element	Item number	Item
Integrity	19	Our TC partners behave in a dishonest manner towards us
Reliable	10	There is no consistency between the words and actions of our partner organisations
Trust and contracts	4	We rely on the written contract to ensure that our TC partners perform honestly
Trust and contracts	26	We rely on the formal contract to safeguard us against potential opportunism on the part of our TC partners

Table 6.34: *Factor E: Deceitful Trust Alliances*

Element	Item number	Item
Ability or competence	39	Our HDI partners are not knowledgeable about our industry
Ability and competence	28	Our HDI partners do not make decisions on behalf of the business alliance
Trust and economic empowerment	45	We formed an alliance with our HDI partners so that they could open political doors for us
Trust and economic empowerment	11	Our HDI partners acquire contracts from government and other state-owned enterprises on behalf of the alliance
Social uncertainty	23	We safeguard our interests at the expense of the alliance
Social uncertainty	34	Our HDI partners cooperate with us on business matters pertaining to the alliance
Relational small wins	25	The alliance achievements we experienced encouraged us to make larger investment in the alliance
Trust and economic empowerment	49	Our HDI partners did not choose us as an alliance partner to neutralise future competition

Table 6.35: *Factor F: Inclination to Trust Alliances*

Element	Item number	Item
Contextual factors	35	We feel that the lack of social interaction between black and white people over the years has affected the level of trust we have on our TC partners
Propensity	38	We generally give people the benefit of the doubt when we first meet them
Propensity	27	We feel that others may be counted on to do what they promised to do

Further evidence that the experiences of individuals who participate in alliances between TCs and HDIs have been uncovered is provided in Table 6.36. In Table 6.36 the factors are

labelled, a brief definition or description of what the factor measured is provided and the associated core constructs are indicated.

Table 6.36: *Factors and Associated Constructs*

Factor	Description of what was measured	Core constructs
A: Untainted trust business alliance (Predominantly HDI group with TC partners which were viewed as high in trustworthiness. Trusts a business partner from a different racial background)	Integrity as shown by the trustor's belief that the trustee will adhere to the principles that the trustor finds acceptable	Integrity anchored in: Trustee's honest behaviour Honest advice given to the focal HDI)
	Benevolence as shown by the trustor's belief that what that she holds esteem will be protected and not be harmed by the trustee Contextual factors reveal issues that are embedded in the setting and may affect trust	Benevolent and considerate anchored in: Respect for our interests Contextual factors anchored in: Trust partner from a different racial background
B: Formal contracts are not the foundation of our alliance relationship	Integrity as shown by the trustor's belief that the trustee will adhere to the principles that the trustor finds acceptable Reliable as shown by the extent to which the one party in the relationship believes the other is both consistent and dependable	Integrity anchored in: Adherence to the focal partner's esteemed values Reliability anchored in: Keeps promises

Factor	Description of what was measured	Core constructs
C: They treat us as a façade for black economic empowerment	Contracts: Reveal the extent to which the trustor uses formal mechanisms to monitor and regulate the alliance	Contract anchored in: Formal contract as the foundation of alliance relationship
	Ability reflected in the belief of the trustor that the trustee will perform its duties and responsibilities because it is competent	Ability anchored in: Partner is knowledgeable about alliance industry
	Reliable shown by the extent to which the trustor believes the trustee is consistent and dependable	Reliable anchored in: Failure to keep promises
	Economic empowerment shown by the belief that the motive for the formation of the alliance was authentic economic empowerment	Economic empowerment anchored in: Trustor did not initiate the alliance Credentials for compliance Trustor not performing alliance duties, trustee performing all the tasks for the alliance
D: Despite the obstacles to empowerment erected by TC partners, we take the initiative to learn	Integrity shown by the trustor's belief that the trustee will adhere to the principles that the trustor finds acceptable	Trustees' failure to adhere to trustor's esteemed values Providing trustor with misleading information

Factor	Description of what was measured	Core constructs
E: They are a façade for black economic empowerment	Reliable shown by the extent to which the trustor believes the trustee is consistent and dependable	Reliability anchored in: Lack of consistency between words and actions
	Contracts: show the extent to which the trustor uses formal mechanisms to monitor and regulate the alliance	Contracts anchored in: Ensuring trustee performs duties and responsibilities honestly Risk of opportunism
	Ability reflected in the belief of the trustor that the trustee will perform its duties and responsibilities because it is competent	Ability anchored in: Lack of knowledge about the alliance industry Lack of ability to make competent decisions
	Economic empowerment reflecting the trustor's belief the trustee's motive was economic empowerment	Economic empowerment anchored in: Partner not chosen in order to neutralise future competition Able to open political doors Able to acquire contracts from government and state-owned enterprises
	Social uncertainty: lack of information about the trustee which may impede co-operation between the partners as they feel that they are not able to trust each other to work for the interests of the alliance	Social uncertainty anchored in: Self-interest at the expense of the alliance HDI partners cooperate on matters pertaining to the alliance

Factor	Description of what was measured	Core constructs
	Relational small wins refers to a commitment to accomplishing smaller projects in order to establish the viability of the alliance and the trustworthiness of the partner	Relational small wins anchored in: Alliance achievements and subsequent larger investments in the alliance
F: Our propensity to trust is adversely affected by lack of interaction between blacks and whites	Propensity to trust shows inclination to trust without prior information about the trustee	Propensity to trust anchored in: Gives others the benefit of doubt when we first meet them Others may be counted on to do what they promised
	Contextual factors reveal the issues that are embedded in the setting and which may affect trust	Contextual factors anchored in: Lack of social interaction between blacks and whites
	Contracts: Reveal the extent to which the trustor uses formal mechanisms to monitor and regulate the alliance	Contracts are something to fall back on in the event of opportunism

6.5 DISCUSSION OF FINDINGS

This section elucidates the findings as presented in the preceding section. In other words, the discussion focuses on the interpretation of the findings. In elucidating or interpreting the findings, the actual findings are considered in relation to both present and previous research in order to ascertain whether the findings of the study corroborated existing theory and agreed ad

idem with previous research. The actual findings are also compared with the propositions propounded in chapters 3 and 4.

6.5.1 Social uncertainty and relational small wins

Social uncertainty stems from a lack of information about the partnering organisation and may impede co-operation between the partners as they feel that they are not able to trust each other to work for the interests of the alliance (McCarter et al., 2011). When HDIs and TCs formed business alliances they sometimes did so with little or no information about their partners. The observed low propensity to trust of the group compounded the trust issues facing the values trust alliances group. However, the group defining Factor B reported that the interaction with its partner organisations over time had made it positive about the future behaviour of the partner organisations (see item 12 which scored (+4)). In the context of this discussion the implication of this last statement was that, initially there was lack of information about the partner organisations and only over time, the interaction may have enabled the group to establish the trustworthiness of its partner organisations. It can be concluded that the experiences of the group defining Factor B regarding information about its partner organisations provide evidence that high social uncertainty affect perceptions of partner trustworthiness. Only the experiences gained through interaction over time made the focal group positive about the future behaviour of its alliance partners. This finding is in line with what has been reported in the extant literature on trust (Krishnan et al., 2006; McCarter et al., 2011). The finding also provided credence to proposition 1:

Proposition 1: When HDIs and TCs form business alliances, such alliances will initially be characterised by the focal organisation's high social uncertainty which will negatively affect its perceptions of the partner organisation's trustworthiness and impede it from working towards alliance goals.

Social uncertainty has been reported to be higher in alliances that involve high interdependence and in which there is inter-partner competition with the partners possibly furthering their individual interests at the expense of the collaborative alliance (Krishnan et al., 2006).

When the group defining Factor C's alliance partners initiated an alliance with it because it had the credentials required for compliance with legislation, it had little information about the group.

Although the group of HDIs defining Factor C had recognised that its credentials were anchored in its blackness the group had not initiated the alliances with its TC partners. However, while conscious of the window-dressing business role into which blacks are often seduced, the group appeared not to have anticipated its TC partners treating it as a façade for black economic empowerment:

“Myself I will not allow it (that is window dressing). He chose me because I am an African woman. You know, you think somebody approaches you because he sees talent or potential in you only to find out that he sees an opener of doors and tenders for himself.”

“My partner thinks I am not clever. When I started with the alliance I was hoping that he would practise what he preached. Now it is clear he was thinking of using me.”

Clearly, the group defining Factor C, the duped trust alliance group went into an alliance with its TC partners because the possibility of acquiring business skills and knowledge existed. However, the TC partners deliberately perpetuated the duped trust alliances group’s lack of business skills and knowledge by doing all the work on behalf of the alliance (see item **47**):

47 I feel that my organisation does little or nothing and that my alliance partner does all the work on behalf of the alliance (+4).

It can be inferred that the duped trust alliances group faced significant ambiguity at the beginning of the alliance, because they were uncertain about the commitment of the TC partners that initiated the alliances with them. This phenomenon is explained as social uncertainty. Both the present and future behaviour of the partners cannot be known with certainty, thus the rewards for the members are uncertain. As it has been established in the extant literature, there is an incentive to contribute to an alliance, such as by acquiring contracts from government and other state-owned enterprises on behalf of the alliance, but also a risk in contributing to that group (Bérard & Perez, 2014; McCarter et al., 2011). Committing to the alliance effort has been a risky but potentially rewarding experience for the duped trust alliances defining Factor C. The group acquired contracts and was financially rewarded. However, the expectations of acquiring business skills and knowledge were thwarted by the conduct of its TC partners.

It can be surmised that the TC partners of the group defining Factor C were perceived by the focal group to have acted inconsiderately and in a manner that safeguarded individual interests at the expense of the alliance (Krishnan et al., 2006; McCarter et al., 2011).

Similarly, the experiences of the deceitful trust alliances defining Factor E illustrated the consequences of having scanty information about one's partner organisation. The literature in inter-organisational relationships posits that social uncertainty emanates from a lack of information about the partnering organisation and that it may impede co-operation between the partners as they may feel that they are not able to trust each other to work for the interests of the alliance (McCarter et al., 2011; Plötner, Lakotta, & Jacobs, 2013; Sniezek et al., 1990; Zand, 1972). The focal group defining factor E acted in a manner that safeguarded its interests at the expense of the alliances with its HDI partners.

However, the group defining Factor E had positive experiences with its HDI partners. It has been found that positive experiences with the partner organisation increased perceptions that the partners are trustworthy (McCarter et al., 2011; Plötner et al., 2013; Sniezek et al., 1990). This will minimise the focal organisation's perceptions of its vulnerability and may increase its willingness to take risk (McCarter et al., 2011). The preceding findings regarding the group defining Factor E provided credence to proposition 2 which is stated below:

Proposition 2: In alliances between HDIs and TCs, the trustor or focal organisation's social uncertainty will decrease as the trustor or focal organisation undergoes positive experiences with the partner organisation and perceives the trustee to be trustworthy. This will minimise the focal organisation's perceptions of its vulnerability and may increase its willingness to take risk.

Realising the adverse consequences of a lack of information about the trustworthiness of a partner organisation and the viability of a business project, the notion of relational small wins has been used by focal organisations to circumvent the situation (McCarter et al., 2011). TC group defining Factor E had committed itself to carrying out smaller projects in order to establish the trustworthiness of its HDI partners. For the group defining Factor E, the alliance achievements it experienced encouraged it to make larger investment in the alliance. The findings resonated with several propositions which concern the group's willingness to make larger investments in the alliance based on the observed trustworthiness of the TC partners.

It can be stated that relational small wins resulted in advantages for the focal party as they clarified the previously obscure characteristics of the trustee and resulted in larger gains being made by the group defining Factor E. The findings regarding the efficacy of relational small wins find support in the extant literature (Rog, 2015; Van Lange, Joireman, Parks, & Van Dijk, 2013). Thus, relational small wins influenced the association between social uncertainty and perceptions of trustworthiness by revealing that the trustee organisation is trustworthy. The efficacy of relational small wins is supported in the relevant literature (Bérard & Perez, 2014; Rog, 2015; Van Lange et al., 2013).

The preceding findings buttress propositions 11, 13, 14, 15 and 18:

Proposition 11: Relational small wins will influence the relationship between social uncertainty and perceptions of trustworthiness.

Proposition 13: In alliances between HDIs and TCs, the latter will prefer relational small wins in anticipation of a lack performance owing to a perceived lack of ability or competence on the side of the former.

Proposition 14: The outcomes of the relational small wins will influence the focal TC or HDI organisation's perceptions of risk and whether willingness to take risk translates into risk-taking such that positive relational outcomes will result in risk-taking act(s) on the part of the trustor.

Proposition 15: Positive outcomes from the risk-taking behaviour will decrease the focal or trustor organisation's feelings and perceptions of vulnerability and result in a willingness to make larger investments in the alliance.

Proposition 18: In alliances between TCs and HDIs, the focal organisation will use formal contracts and relational small wins if it perceives risk with the partner organisation to be high.

One would have expected the HDIs to use relational small wins in anticipation of TCs opportunistic behaviour given the high profile publicity of issues of window-dressing (Patel & Graham, 2012; Tyson, 2011; Van Scheers, 2010). However, it can be surmised from the experiences of the duped trust alliances defining Factor C that this focal group did not have an

effective way of responding to what it perceived as the lack of trustworthiness of its TC partners. It can therefore be stated that there was no support for proposition 12 which is stated below:

Proposition 12: In alliances between HDIs and TCs, as a result of the practice of window-dressing on the part of some TCs, the focal HDIs will use relational small wins in anticipation of unscrupulous or untrustworthy behaviour by the latter.

The experiences of the group defining Factor C provided evidence that the alliance outcomes may sometimes be contrary to what was anticipated. This group formed alliances with knowledgeable TC partners and acquired contracts on behalf of the alliance anticipating that they will help it develop business skills and knowledge. However, the focal group did little or nothing and the TC partners did all the work on behalf of the alliance. The focal group's alliance did not share information with its partners by closely working on common tasks. The group defining Factor C experienced its TC partners as exploitative and resented the partners' lack of will to empower them. The group expressed strong perceptions that its TC partners had formed business alliance with it so that it could open political doors for them, as shown by item **46** which scored (+4). These negative experiences were captured in the following verbatim statement:

"You know, the stuff about window-dressing you read about in newspapers is true. Myself, I will not allow it. He chose me because I am an African woman. You know, you think somebody approaches you because he sees talent or potential in you only to find out that he sees an opener of doors and tenders for himself."

The experiences of the group defining Factor C had the potential to strain the alliance relationship. If the HDI partner resolve "not to allow it (window-dressing)" as shown in the preceding verbatim statement, the alliance relationship may become strained and result in the dissolution of the alliance. It can be stated that proposition 16 found some support in the experiences of the duped trust alliances group defining Factor C:

Proposition 16: Negative outcomes from the risk-taking behaviour will result in perceptions of increased vulnerability on the part of the focal or trustor organisation which will strain the relationship and may result in the alliance being discontinued.

6.5.2 Contextual factors and propensity to trust

The values trust alliances group defining Factor B perceived itself as lower in its inclination to trust others. In explaining the reasons for the sorting of items, the participants from the group defining Factor B articulated views that resonated with the findings on the group's propensity to trust:

"Given that I am not a trusting person per se, our alliances have been based on what a partner can do."

"I don't trust people in general. Perhaps I don't trust easily, like the card says."

The preceding viewpoint expressed by the group that defined Factor B implied that in the instance of low propensity to trust, the characteristics of the trustee were significant for trust to occur. It should be remembered that this group also expressed the view that trust is the foundation of the relationship with its partner organisations.

Propensity to trust is the dispositional component of trust that is relatively stable and which influences the likelihood that the trustor will trust others regardless of the situation (Mayer et al., 1995; Bianchi & Brockner, 2012). While not context dependent (Ashleigh & Higgs, 2012), propensity to trust develops through past social experiences as one's predisposition to trust others evolves (Frazier et al., 2013; Schoorman et al., 2007).

It may be observed that trust in the partner results in longer and more lasting relationships than may otherwise have been the case and reduce incidents of conflict (Hernandez & Dos Santos, 2010). Organisations are more committed to each other when there is trust while, when there is more trust, they are more likely to commit to each other (Harris & Wicks, 2010).

The trustor's propensity to trust is linked to the elements of trustworthiness and co-influences the trustor's willingness to trust. Propensity to trust emerged as a significant element for the group defining Factor F (the inclination to trust alliances). This group expressed the view that it generally gave people the benefit of the doubt when it first met them and felt strongly that others could be counted on to do what they promised to do. As already demonstrated, willingness to trust is influenced by both the elements of trustworthiness, such as ability and integrity, on the

one hand, and propensity to trust on the other. Propensity to trust is a trait that is stable across situations and influences the likelihood that the trustor will trust others (Ashleigh & Higgs, 2012; Mayer et al., 1995; Schoorman et al., 2007). The group defining Factor F was clearly distinguished from the other groups by its very high propensity to trust, anchored in both its tendency to give others the benefit of the doubt when meeting them for the first time and its strong belief that others could be counted on to do what they promised. The findings are in line with the observations in extant research (Ashleigh & Higgs, 2012; Mayer et al., 1995). Proposition 9 found support in the group defining Factor F with its high propensity to trust:

Proposition 9: The focal HDI or TC organisations that are high in propensity to trust will demonstrate stronger trust in the HDI or TC partners than may otherwise have been the case.

However, at an inter-organisational level propensity to trust may be influenced by geographic, industry and economic histories (Fadol & Sandhu, 2013; Fan et al., 2012). For example, past experiences in alliances may either increase or decrease the focal organisation's propensity to trust, depending on whether these experiences were positive or negative. A negative experience is an experience that would have resulted in the focal organisation losing its investment or being faced with a lawsuit (Schoorman et al., 2007). The group defining Factor F (inclination to trust alliance) reported that the lack of interaction between black and white people over the years had adversely affected its level of trust on its TC partners. Proposition 3 found support in the experiences of the inclination to trust group defining Factor F:

Proposition 3: Contextual factors such as culture, socio-economic factors, politics and government policies embedded in the setting will affect trust indirectly by influencing the relationship between social uncertainty and perceptions of trustworthiness.

However, there was no evidence in support or to refute proposition 4. However, future research can develop measures of propensity to trust to determine if racial affiliation has any effect on one's propensity to trust:

Proposition 4: Cultural differences between blacks and whites will account for the differences in propensity to trust between the two groups such that high propensity to trust will have a positive effect on the focal organisation's trust in the partnering organisation.

6.5.3 Perceptions of trustworthiness are vital

In its examination of trustee characteristics the study relied primarily on Mishra's (1996) dimensions of trust and the elements of trustworthiness as conceptualised by Mayer et al. (1995). Broadly, the existing literature on organisational trust has identified a myriad of dimensions of trust and trustee characteristics as factors of trustworthiness (Ashleigh & Higgs, 2012; Beldad, Van der Geest, De Jong, & Steenhauer, 2011; Dowell et al., 2013; Hardwick et al., 2013; Mishra, 1996; Mayer et al., 1995; Mayer & Davis, 1999).

Three of the trustee characteristics suggested by Mayer et al. (1995) emerged as significant elements that distinguished the groups in this study, namely, ability, benevolence or consideration and integrity. The dimension of reliability also emerged as significant because it distinguished the values trust alliances group defining Factor B from the others.

In alliances between TCs and HDIs, perceptions of the trustee characteristics such as ability, benevolence and reliability were vital in the trustor's decision to trust or not to trust. The strong perceptions of integrity expressed by the groups defining Factor A and Factor B regarding the integrity, benevolence and reliability of the partners provided credence to proposition 6. Similarly, the perceived lack of ability, integrity and reliability expressed by the groups defining Factor C, Factor D and Factor E implied lack of trustworthiness as it is demonstrated below.

It may be said that the findings on the crucial role of the characteristics of the trustee were in line with what had emerged from the literature review on organisational trust (Beldad et al., 2011; Dowell et al., 2013). The trustor's perceived confidence in the ability, integrity, reliability and benevolence of the trustee determined the level of trust the latter may accumulate (Mayer et al., 1995; Mishra, 1996; Şengün & Wasti, 2011; Tan & Lim, 2009).

By focusing on the more specific and individual characteristics of the trustee, the study uncovered the vital role played by the trustors' perceptions that the partner organisation was high in ability trust and therefore trustworthy. The results of the study revealed that the HDI group defining Factor D, the vigilant trust alliances, considered its TC partners' ability as a crucial consideration when it had formed business alliances with them. The strong perceptions of partners' ability indicate the possibility of the trustor being provided with access to invisible assets such as business management and organisational skills, technological capability and

knowledge of the market. The group defining Factor D or the vigilant trust alliance recognised the ability of its TC partners:

“Make no mistake, TCs are skilful, knowledgeable and have big networks and the financial strength. They control quarries, steel, brick and cement – the items that are on a critical path.”

This group had formed alliances with its TC partners primarily because of the perceptions that they were competent and offered it the possibility to learn, despite experiencing their partners as lacking in integrity and reliability. Similarly, the duped trust alliances defining Factor C formed business alliances with its TC partners because it perceived them as strong in ability and believed that it would acquire business skills and knowledge from them. This is despite expressing other negative perceptions about the trustworthiness of the partners. In the alliance context ability may be described as a group of skills, knowledge and competencies that partner organisations are perceived to possess and which enable them to influence alliance performance (Brahma & Chakraborty, 2009; Mayer et al., 1995; Mayer & Davis, 1999). As an element of trustworthiness, ability enables relationships with trustees (Schoorman et al., 2007). Trust has been reported to increase with an increase in the competence of the trustee (Mansor & Mirahsani, 2012; Tan & Lim, 2009). The results underlined the vital role of ability or competence as a characteristic of the trustee organisation.

Perceptions that the trustee organisations were characterised by high integrity, benevolence and reliability were observed in the groups defining Factors A (sincerity trust alliances) and B (values trust alliances). These two groups were also satisfied with their present alliances which were characterised by positive trust experiences.

Integrity implies that the trustee organisation espouses values that the focal organisation regards as positive and acceptable and behaves in a manner that is consistent with the espoused values. The group defining Factor A, the sincerity trust alliances, attributed the integrity of their partner organisations to the honest behaviour and advice it received from these organisations. The group defining Factor B, on the other hand, explained its perceived integrity of its partner organisations in terms of adherence to the values that it held in esteem. The results of the study also revealed that the groups defining Factors C (duped trust alliances) and D (vigilant trust alliances) shared perceptions of low partner integrity and reliability. The existing research on trust regards integrity as exemplifying honesty, sharing of values and fairness

towards others (Tan & Lim, 2009; Zur et al., 2012). The notion of shared values, as discussed by Silva et al. (2012), is analogous to the concept of integrity as propounded by Mayer et al. (1995). Silva et al. (2012) observed that shared values were deemed essential for creating a bond between the partners and, simultaneously, enhancing trust. They found that there was a positive relationship between the values shared by the partners and the trust the one partner placed in the other. Young-Ybarra and Wieresma (1999) also found that shared values were a significant factor in influencing trust.

Benevolence is viewed as an essential component of an interpersonal relationship (Levin et al., 2006). According to Levin et al. (2006), trustworthiness is rooted in the trustor's willingness to be vulnerable to the other party because he/she expects that the trustee will have his/her interests at heart, care for him/ her and demonstrates goodwill toward the trustor. This predominantly HDI group defining Factor A had experienced predominantly TC partners as able to balance self-interests with the welfare of their partners.

Johnson and Grayson (2005) included benevolence trust under affective trust and explained benevolence trust as an acknowledgement of the mutual concern inherent in the relationship between partners. In the South African setting, and in the context of the group defining Factor A, the findings implied that the group's partner organisations, which comprised predominantly TCs, did not work against the interests of the focal group. This experience was vital in enhancing the trust among the partners.

The trustors' perceptions of a lack of consistency between words and actions usually stem from the past behaviour of and experience with the TC partner organisations (Zhang, 2011). It emerged that the group defining Factor B and the groups defining Factor C and Factor D were positioned at the opposite ends of the reliability spectrum. The group defining Factor B was at the positive side as shown by its experiences of its partner organisations as reliable because they kept their promises. On the other hand, the groups defining Factor C and Factor D had experienced deficient reliability in the sense that their partner organisations were perceived to be unreliable because they did not keep their promises. In the main a trustee is able to observe the reliability of its trustor directly for example, from the latter's past behaviours and experiences with the trustee, or indirectly, for example, from past interactions with other organisations (Connelly et al., 2012). An alliance with a partner organisation that is high in reliability implies that the trustee will demonstrate consistent behaviour while the trustor will know what to

anticipate (Brahma & Chakraborty, 2009; Parkhe, 1998). Zhang (2011) found that the reliability of the contact person has a positive impact on trust in a business relationship.

However, compared to Factor A group, the group defining Factor B expressed relatively stronger and more passionate feelings that their partner organisations were reliable primarily because they kept the promises, as shown by item **21** which scored (+5). The assertion that the partner organisations kept their promises was demonstrated by the group defining Factor B indicating the dependability of the partner organisations in their interactions with the group – see item **32** which scored (+3). Item **21** differentiated the group defining Factor B from the other groups. The item revealed that the group defining Factor B had experienced its partner organisations as highly reliable because they kept their promises. Item **21**, presented in Table 6.28, was relevant. The score (+3) for item **32** also provided evidence that the fact that the partner organisations kept their promises demonstrated their high dependability. Further evidence that the partners kept their promises was provided by the consistency between their words and actions (see item **10** which scored (+3)) and their good behaviour as manifested in their adherence to the agreements entered into (see item **43** which scored (+3)).

The findings pertaining to the four characteristics of the partners elucidated in the previous paragraphs (ability, benevolence, integrity and reliability) supported propositions 6 and 7:

Proposition 6: The focal TCs or HDIs that experience their partners as trustworthy will perceive trust to be a foundation of their business alliances.

Proposition 7: Focal HDIs will form business alliances with TC counterparts perceived to be more resourced and more experienced with the primary purpose of accessing the TC partner's business knowledge so that they can be empowered in terms of business skills and knowledge.

It can be concluded that HDIs that deliberately seek to form alliances with well-resourced TC partners will learn to the extent that the latter creates an environment that facilitates access to knowledge. If access to knowledge and learning occur, authentic economic empowerment is possible. Such HDIs will find meaning in their pursued economic activity which challenges their capabilities to perform relevant tasks skilfully with a substantial degree of autonomy in such a manner that they feel that they can influence the economic outcomes of their activity.

Based on the preceding discussions the following observations regarding proposition 5 are made:

Proposition 5: In alliances between HDIs and TCs, the salient cultural differences will influence the focal organisation's perceptions that the trustee organisation is trustworthy prior to information about the trustee becoming available.

There was no evidence from the empirical data to support proposition 5. However, the extant literature has demonstrated fundamental ways in which culture may affect trust through the antecedents of trust or elements of trustworthiness (Tan & Lim, 2009). Cross-cultural studies have provided broad generalisations with regard to the cultural orientations of different societies (Das & Kumar, 2011; Fadol & Sandhu, 2013 Hofstede et al., 2010).

6.5.4 Formal Contracts and trust may coexist

In anticipation of tension between partners and other behaviours hostile to the interests of the alliance, formal contracts are used to monitor and ensure that the parties focus on the central goals of the alliances (Camén et al., 2011; Connelly et al., 2012). The group defining Factor B (values trust alliances) strongly shared the sentiment that formal contracts were not the foundation of their alliance relationships. This implied that the group believed that its alliance relationships were based on trust. This finding tends to support proposition 6 that stated that the focal TCs or HDIs that experience their partners as trustworthy will perceive trust as a foundation of their business alliances.

The group defining Factor F (inclination to trust alliances) regarded contracts as something they needed to fall back on in case things did not work out with their TC partners. On the other hand, the group defining Factor D relied on contracts to make sure that their TC partners performed their duties and responsibilities honestly and also in anticipation of the risk of opportunism. Proposition 18 is relevant and stated:

Proposition 18: In alliances between TCs and HDIs, the focal organisation will use formal contracts and relational small wins if it perceives risk with the partner organisation to be high.

The proposition relating to the use of contracts found support in the groups defining Factors D and F as formal contracts were used. Lack of integrity, reliability and benevolence diminish and impede the development of trust between alliance partners (Connelly et al., 2012; Silva et al., 2012). Dishonesty, in general, and, more particularly, suspected opportunistic behaviour on the part of the alliance partner diminishes the quality of the relationship as time and resources have to be spent on monitoring and preventing the partner's deceptive behaviour. This, ultimately, damages the trust between the partners (Kang & Jindal, 2014). In the case of the HDI group defining Factor D, the need to safeguard the own interests against the risk of opportunism may have been exacerbated by the feeling that the TC partners had failed to appreciate the fact that they had relied on the HDI group to acquire contracts from government and other state-owned enterprises on behalf of the alliance (see item **22** which scored (+5)).

The use a contract for the purposes of ensuring the partner's honest performance and to safeguard against the risk of opportunism was not contrary to the view of the group defining Factor D that trust was the foundation of its relationship with its TC partners. As a result, trust and formal contracts co-existed in this group. As it has been found in the existing literature, both represent significant ways of managing relationships and risk (Malhotra & Lumineau, 2011). Schoorman et al. (2007) have argued that, when risk is high and trust is low in an alliance relationship, the formal contract becomes essential to bridge the difference between risk and trust by lowering the perceived risk to a level to enable trust to manage it.

Clearly, some groups utilise contracts according to the perceived trustworthiness of the partner organisations and, thus, they rely on contracts to varying extents. However, it has been observed that too much formalisation may result in codification and a lack of flexibility in dealing with emerging issues (Camén et al., 2011; Connelly et al., 2012; Fadol & Sandhu, 2013). While formalisation may fulfil such positive functions as increasing both the legitimacy of the relationship and coordination, Vlaar et al. (2007) warned against excessive codification that may convert the formal contract into a code and not manage the dynamic nature of the relationship. As previously explicated in chapter 3, the issue of whether to place the emphasis on trust or on contracts is somewhat complex and should depend on whether the alliance strategy is exploration or exploitation (an issue not explored in this study (Arranz & De Arroyabe, 2012; Lavie et al., 2011)). However, researchers have reported countless benefits for inter-organisational co-operative relationships that include savings in terms of both time and money as high trust in the alliance frees the time executives would otherwise have to spend on

contracts and the concomitant extensive resources (Gulati, 1995). Inkpen and Curall (2004) also decried the extensive use of formal controls because they diminish the discretionary power of the partners to the effect that they will tend to see each other's behaviour as compliance with the formal contract and not interpret it as trustworthiness.

6.5.5 HDIs seek economic empowerment in alliances with TCs

It appeared that the group defining Factor C desperately wanted the exposure that would facilitate its acquisition of the business skills and knowledge essential for authentic economic empowerment:

“My partner works very hard and he is doing most things and I do little. I am going to start insisting in doing more because I don't know this business.”

It is evident from the findings of the study that when some HDIs initiate or are requested to form business alliances with TCs, the issue of access to business knowledge and empowerment in terms of business skills and knowledge predominates. Proposition 7 is relevant to the discussion:

Proposition 7: Focal HDIs will form business alliances with TC counterparts perceived to be more resourced and more experienced with the primary purpose of accessing the TC partner's business knowledge so that they can be empowered in terms of business skills and knowledge.

This proposition finds support in the group defining Factor C, the duped trust alliances and the the group defining Factor D, the vigilant trust alliances. The appeal and power of the perceived ability of the trustee lures focal partners into an alliance.

As has been previously argued, a trustor's perceptions that the trustee organisation is high in ability trust are significant as they may indicate the possibility of the trustor being provided with access to invisible assets. Invisible assets include, *inter alia*, management and organisational skills, technological capability and knowledge of the market. The group defining Factor D or the vigilant trust alliance recognised the ability of its TC partners: “Make no mistake, TCs are skilful, knowledgeable and have big networks and the financial strength. They control quarries, steel, brick and cement – the items that are on a critical path.” This group had formed alliances with

its TC partners primarily to learn, despite experiencing their partners as lacking in integrity and reliability. This last statement is not, however, contradictory. The trustor's perceptions of the trustee's attributes have relative significance depending on the situation (McKnight & Chervany, 2002). Therefore, the findings relating to forming alliances in order to access knowledge that may be outside of one's repertoire of skills is supported in the existing literature (Choi et al., 2010; Grant & Baden-Fuller, 2004; Yang et al., 2011). The existing literature has also revealed that business alliances have an extremely important role in business strategy, particularly for small business development (Street & Cameron, 2007; Vandaie & Zaheer, 2014).

6.5.6 TCs seek to use HDIs as a façade for economic empowerment

The group defining Factor E appeared to be unperturbed by the lack of business skills and knowledge of its HDI partners. The focal TC group appeared to have deliberately chosen its HDI partners because they lacked business skills and knowledge. However, it was important to ascertain whether the TC group defining Factor E had involved its HDI partners so as to enable them develop business skills and knowledge or whether it had perceived them as future competition to be neutralised. The focal TC group knew that its HDI partners were low in ability-related trust as the former initiated the alliance so that the latter can open political doors for it. Proposition 8 is relevant to the discussion regarding lack of business skills among HDIs and is restated:

Proposition 8: In alliances between HDIs and TCs, prior information about the HDI partner becoming available as well as the generalised belief about the inadequacy of the business skills and capital of the HDIs, will result in HDI partners being perceived as low in ability trust.

It can be stated that the findings partially supported proposition 8, specifically, they lend credence to the notion that HDIs are not well-resourced in terms of business knowledge and skills and therefore low in ability trust. However, trust issues are evident with resulting implications for black economic empowerment. The findings are supported in the South African economic empowerment literature (Butler, 2011; Du Toit, Kruger, & Ponte, 2008). After winning the contract as a supposed alliance, some TCs abandon their HDI partners by buying them out of the contract (Van Scheers, 2010).

The HDI group defining Factor C suggested that its TC partners were using it as a façade for black economic empowerment because they were not willing to provide it with an opportunity to learn about the business of the alliance. Similarly, the TC group defining Factor E deliberately used HDIs to open political doors for it. It can be inferred from the findings relating to the two groups' experiences that HDIs were being used as a token for black economic empowerment. The findings relating to the two groups partially supported proposition 10 which is restated below:

Proposition 10: Based on issues such as fronting and window-dressing and prior information about the TC partner becoming available, TCs that approach unsuspecting and least experienced HDIs to form business alliances will be viewed with distrust and as lower in trustworthiness.

The focal HDI groups experienced the TC partners as low in reliability and integrity. The literature on economic empowerment partially supports proposition 10 as many TCs have proven to be untrustworthy (Butler, 2011; Du Toit, Kruger, & Ponte, 2008; Van Scheers, 2010). However, in the South African economic empowerment context, which is stereotyped as lacking in honour and uprightness (Van Scheers, 2010), the findings revealed that it was not possible to generalise a lack of trustworthiness to all TCs in alliances with HDIs. The groups defining Factor A (a predominantly black or HDI group) and Factor B experienced their partner organisations as devoid of dishonesty and deceit. Relevant literature supports the view that people with integrity behave in an honest and fair manner towards others (Tan & Lim, 2009).

It is conjectured that the strong perceptions expressed by the group defining Factor A that its predominantly TC partners were high in integrity bodes well for black economic empowerment in a South African economic empowerment milieu that has been labelled as suspect and typified by cronyism and other forms of favouritism (Van Scheers, 2010). It is highly likely that trustworthiness may be one of the essential qualities that both the black economic empowerment participants and the South African population at large require in order to enhance trust in business alliances between HDIs and TCs. As shown by the results of this study, the economic empowerment participants, particularly the HDIs and the TCs, required trustworthiness anchored in ability, benevolence, integrity and reliability so that they could engage in truthful business alliances that would facilitate authentic black economic empowerment. Dowell et al. (2013) found that honesty, integral responses and candid

responses were essential for integrity based trust. The findings of this study are in line with the findings of other studies (Dowell et al., 2013).

Honest business alliances between the groups defining Factors A and B and their respective partners fostered the meaningful participation of the HDIs in the business of the alliances. Participation is essential because it helps the HDIs to realise that they are capable of autonomously performing the business functions that influence the economic outcomes of their activity and, consequently, enhance trust and promote the desired authentic economic empowerment.

Based on the findings of the study, it is possible to theorise that perceptions that one's partner is considerate and will not act maliciously to harm the interests of the focal organisation are vital components of trust building in an empowerment milieu which has been stereotyped as inconsiderate, wicked and unkind. For the group defining Factor A, the experience of TC partners' benevolence by a predominantly black group implied that the TC partners were trusted because they did not act maliciously against their HDI partners. It may, thus, be concluded that the perception that the predominantly TC partners are considerate is essential to enhance the trust which has been eroded by the economic empowerment malpractices such as buying blacks out of the contract after it has been awarded to the alliance (Van Scheers, 2010). Dowell et al. (2013) found that benevolence trust is influenced by trust actions and attitudes.

In settings in which the government endeavours to economically empower the previously disadvantaged, such as in Malaysia and South Africa, the dominance by the corporate sector – managed and owned primarily by the previously advantaged communities – has come under scrutiny because of the widespread reports of the low consideration and concern for the welfare of the HDIs (Tyson, 2011). This low concern for the welfare of the trustee organisations has eroded trust in the TCs as evidenced by the experiences of the group defining Factor D. The focal group's TC partners wanted to reduce the profit margins of the HDI counterparts as reflected in the group's view that the TC partners did not have either its welfare or its interests at heart, did not care for it and had no goodwill towards it.

Another interesting aspect from the study's findings related to the fundamental reasons why the participants formed alliances between TCs and HDIs. While there are numerous reasons why organisations form alliances, in South Africa business alliances between HDIs and TCs are

dictated primarily by government suasion and legislation (Ahwireng-Obeng & Ogunjobi, 2001; Emuze & Adlam, 2013; Juggernath et al., 2011). In some instances such alliances between TCs and HDIs may undermine such government policy initiatives. For example the TC group defining Factor E (deceitful trust alliances) was in alliances with its HDI partners so that these HDI alliances could acquire contracts from government and other state-owned organisations on behalf of the alliances. The group intended to use its HDI partners as façade for black economic empowerment.

As distinctive and conspicuous was the HDI group defining Factor C whose primary motive had been to learn about business when it had entered into alliances with its TC partners. However, to the disappointment of the group, the trustee TC partners were performing all the alliance tasks and responsibilities on behalf of the alliances without affording the focal group any opportunities to learn about the alliance business. TCs seduce HDIs into forming alliances with them so that they are able to access state resources such as tenders. In some cases these HDIs are used as a façade for black economic empowerment in post-apartheid South Africa (Emuze & Adlam, 2013; Van Scheers, 2010). Some TCs have even been incriminated using HDIs as window-dressing.

However, the phenomenon of alliances based on government suasion and legislation is not exclusively South African as government policy requirements for local participation in the case of foreign corporations have also been reported in the literature (Omar & Mohan, 2010). It is clear from the results of the study that some of the participants had entered into alliances because of government suasion and legislation. The findings regarding the groups defining Factors C and E illustrated typical South African black economic empowerment issues. TCs have been reported to use HDIs as fronts and window-dressing, mobile black executives, rent-a-black, “ghost” or “freelance” black directors and managers in a bid to procure or acquire contracts from government and other state-owned enterprises (Beall et al., 2008; Iheduru, 2004; Van Scheers, 2010). In Malaysia, some Bumiputeras function in symbolic capacities (Gomez, 1996). The Bumiputeras who want to get rich quickly prefer to collect rentier profits as front-men for the Chinese and trade their legal preferences without being actively involved in business. In South Africa some TCs misrepresent their credentials and manipulate historically disadvantaged companies and persons as a façade in order to access government tenders (Butler, 2011; Iheduru, 2004).

The preceding findings on fronting were not completely unexpected in a South African context because the issue of fronting is widely reported in newspapers and other media. However, there are also academic writings relating on the issues of tokenism in corporate South Africa (Emuze & Adlam, 2013; Ponte et al., 2007; Tangri & Southall, 2008). It was, nevertheless, completely unexpected to discover the simple, straightforward and frank manner in which these issues were laid bare. It is, however, hoped that the findings make a significant contribution to the existing literature and research on organisational trust. The trust implications which emerged from the findings are extremely serious for the economic empowerment of the previously disadvantaged.

The six factors and the items that distinguished each have been presented in tables. The discussions in the preceding pages provided further evidence that the first empirical aim of the research has been achieved. Tables 6.28 to 6.34 are significant.

Several conclusions may be drawn regarding the first empirical research aim which is restated below:

Research aim 1: To assess the trust experiences of individuals who have participated in alliances between TCs and HDIs.

The trust experiences of the participants were heterogeneous as was evidenced by the emergence of six factors or groups demonstrating unique trust experiences.

The characteristics of the trustee organisations, such as ability, benevolence, integrity and reliability, were used by the focal organisations to evaluate the trustworthiness of the trustee organisations.

Propensity to trust is a relatively stable and essential characteristic of the trustor that influences trust but is also susceptible to influence by contextual factors.

Some focal HDIs did not perform alliance duties and responsibilities and, thus, they were not given the opportunity to gain business expertise and remained perpetually dependent on their TC partners.

Trust and contracts co-existed in some of the alliances between TCs and HDIs – both to guard against suspected partner opportunism and to have something on which to fall back.

Some TCs needed HDI partners for political expediency so that they could open political doors.

Some TCs used their HDI partners to acquire contracts from government and other state-owned enterprises.

Contextual factors such as the separate development policies and practices of the past have the capacity to impact on perceptions of trustworthiness and the inclination to trust.

The next section examines the second empirical aim of the study, namely:

Research aim 2: To explore the feelings or emotions that the participants associated with their experiences of trust in the TC and HDI alliances in which they had participated.

6.6 TRUST AND AFFECT

Chapter 4 theorised about the interplay between trust and affect. The intricacy of the relationship was highlighted with the exploratory nature of the discussion on the two becoming apparent. The main aim of this section is to explore the feelings or emotions that the participants associated with their experiences of trust in the TC and HDI alliances in which they had participated. The association between the six groups' Q sort results or experiences of trust and their respective performance on the PANAS (Watson et al., 1988) are explored. However, before this exploration it must be pointed out that the participants' results from the PANAS (Watson et al., 1988) were used unconventionally as a heuristic device to facilitate the exploration of the association between organisational trust and affectivity in business alliances between TCs and HDIs. This task was carried out with the instructive words of Brown (1980) in mind, namely, "many explorations find nothing, and many findings emerge without exploration, as the term "serendipity" implies". Whatever the outcomes, it was anticipated that some lessons should emerge from the exploration of the association between trust and affect. It was hoped that the theory and the lessons derived from the exploration would be significant regarding their contribution to the existing corpus of knowledge about trust and affect, both independently and collectively. As Schwandt (2014) instructed, theoretical knowledge may serve as an important guide to practitioners in their problem solving endeavours while lessons from practice may both infuse meaning into theory and also ground it.

Secondly, and linked to the preceding paragraph, this section furthers the discussion by theorising about the association between the focal groups' experiences of trust and their affective experiences. Accordingly, and in line with Schwandt's (2014) views, propositions were made regarding this association and it is hoped that this will lead to further enquiries in both the theoretical knowledge and the field, thereby reinforcing the dynamic relation between theory and practice. In view of the paucity of relevant research there was very little to be gleaned from the existing literature. However, the theorisation that flowed from the exploratory results and the propositions should be regarded as the major contribution of this part of the study.

As has already been indicated, immediately after the Q sorting process and the post Q sort interviews, the participants individually completed the PANAS (Watson et al., 1988) scales. The sequencing of the participants' completion of the PANAS (Watson et al., 1988) was deliberate and intended to assess the extent to which they associated the feelings and emotions described in the scales with their experiences of trust in their respective alliances. The information provided to the participants prior to the sorting of the cards read as follows: "The 50 cards contain opinion statements about trust between traditional companies (TCs), which are formerly white-owned companies, and historically disadvantaged institutions (HDIs), which are black-owned companies. These statements ask about your opinions on trust between you and the TC or HDI with which you have or had an alliance. When you read "partner organisation" please think of a TC or an HDI with which you have or had an alliance. Each of the 50 cards is assigned a number.

It is also worth mentioning again the wording of the instructions for the completion of the PANAS (Watson et al., 1988) scales: "The following consists of a number of words that describe different feelings and emotions. Read each item and then list the number from the scale below next to each word. Indicate to what extent you have felt this way over the last 6 to 12 months about the alliance you have or had." The participants were requested to indicate the extent to which they had experienced certain moods or feelings which they associated with their participation in alliances with the TC or HDI partner in the preceding 6 to 12 months.

6.6.1 The six factors, post-Q sorting voices and the PANAS (Watson et al., 1988) scales

The association between trust and affect is empirically explored in this section. In order to do this, the study used data exemplifying the six factors, the post-Q sorting interview data, which, essentially, supported the factors which had emerged and the scores on the PANAS (Watson et al., 1988). In exploring the association, the focus was primarily on the factor scores or items that distinguished the factor groups from each other and also how those items peculiar to each group related to the PANAS scales. The interview data was also significant in the investigation of the association.

6.6.1.1 Factor A (sincerity trust alliances): High PA and low NA: We remain interested and enthusiastic, calm and serene because our partners are trustworthy, making trust the foundation of the alliance

The following three findings were crucial in the sense that they were unique to the sincerity trust alliances group defining Factor A and, therefore, distinguished it from the other groups:

- The HDI group defining Factor A, the sincerity trust alliances, was distinguished from the other groups by its unique experiences of their predominantly TC partners' high integrity as exemplified by honest behaviour and honest advice.
- The peculiarity of the predominantly HDI sincerity trust alliances was grounded on its unique experiences of the predominantly TC partners as high in benevolence and consideration because they did not work against the group's interests. In addition, the trustee partner organisations did not engage in activities that benefited them at the expense of the predominantly HDI focal group.
- The uniqueness of the sincerity trust alliances was its high trust in business partners from a different racial background. This trust in partner organisations from a different racial group was predicated on the experiences of this focal group defining Factor A of the high integrity and benevolence trust of its predominantly TC partners.

The predominantly HDI group defining Factor A or the sincerity trust group obtained the averaged scores of 38.8 and 12.2 for PA and NA respectively on the PANAS (Watson et al., 1988). The scores of 38.8 and 12.2 signified a relatively high PA and low NA respectively. High PA indicates the extent to which a person feels enthusiastic, active and alert (Watson et al.,

1988). The relatively high PA implied that the sincerity trust alliances group defining Factor A was characterised by high energy, total concentration and pleasurable engagement (Watson et al., 1988). People associated with high PA are usually actively involved with the environment (Beer et al., 2013).

The analysis of the factor scores revealed that the sincerity alliance group defining Factor A was actively involved in matters pertaining to its alliances with the predominantly TC partners not doing all the work on behalf of the alliances. The verbatim statement articulated by a participant from the group revealed the extent of the group's involvement in the business of the alliances: "Both parties to the alliance relationship should be competent to perform their duties."

In line with the group defining Factor A's relatively high PA the group appeared to be interested, enthusiastic and determined about its alliances with its partners:

"Ours is a mutual business. I expect them to preserve the interests of my organisation the same way I preserve theirs."

The predominantly HDI sincerity trust alliances group defining Factor A revealed strong trust in its predominantly TC partners. The group expressed feelings of excitement, inspiration and pride about the alliances in which it was involved:

"I have worked with both black and white people in alliances and both have disappointed me and both have done well. So for me it has not been a race thing. Maybe I am lucky."

The group defining Factor A (sincerity trust alliances) also scored low on NA, thus indicating calmness and serenity (Watson et al., 1988). This calmness and serenity was supported by the view that the predominantly TC partners of the group were trustworthy and also by the group's strong belief that trust was important in its relationships with partner organisations. Formal contracts were regarded as peripheral to the relationships. The participants from the group stated the following:

"I trust them, therefore no need for formal contract."

"We are not strictly utilising contracts. Trust has been predominating."

"If I don't trust him I will not do business with him."

In addition to the afore-mentioned statements distinguishing this group, it may be recalled that the group had also experienced its partners as high in ability and reliability. Although not significantly high to the extent of distinguishing the group from the other groups, the propensity to trust of the group defining Factor A was high with the group regarding trust as a foundation of its relationships with its partner organisations.

This predominantly HDI group's trust of its largely TC partners highlights both the cognitive and affect-based nature of its trust. The cognitive-based nature was demonstrated by the experiences of partner integrity, ability and reliability while the affect-based trust was anchored in benevolence as reflected in the belief of the focal sincerity trust alliances group defining Factor A that its predominantly TC partners would protect and not harm its interests.

The sincerity trust alliances appeared to be interested in as well as very strong and proud in its alliances with its partners. This was supported by the assertion that they "share values that serve as glue that binds them together". The group seemed to be excited and enthusiastic about the prospects and outcomes of the alliance because they had partners who "preserve the interests of the group the same way the group preserves theirs".

The sincerity trust alliances group defining Factor A did not appear to be distressed, nervous, afraid or scared and nor did it apparently feel ashamed about or harbour any guilt feelings about its business alliances. In fact, the group seemed to be content and calm about its business alliances.

<p>It is plausible to theorise that the focal group's positive trust experiences, perceptions of partner trustworthiness and high overall satisfaction with its current alliance were associated with the relatively high PA and low NA.</p>
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6.6.1.2 *Factor B group or values trust alliances: High PA and low NA: Enthusiastic and proud about harmony in values, fewer apprehensions and more reassurances and, thus, the formal contract was not deemed to be the foundation of the alliance relationship with its partner organisations*

- The values trust alliances group defining Factor B was distinguished from the other groups by its experiences of its business partners as high in integrity because they adhered to the values it held in high esteem.
- The group was also different from the other groups as it had experienced its partner organisations as high in reliability because they kept their promises.
- Also distinguishing the group from the others was the group's belief that the formal contract was not the foundation of its alliance relationship with its partner organisations.

Integrity, anchored in shared values, appeared to be the fulcrum of the relationship between the group defining Factor B and its partner organisations. These findings clearly revealed the positive trust experiences of the values trust alliances group defining Factor B.

The values trust alliances group averaged a relatively high PA score of 37.00 and a relatively low NA score of 15.30. Similar to the sincerity trust alliances group defining Factor A, this group perceived its partner organisations as trustworthy. This perception was founded on the partner organisation's integrity and reliability. It may be hypothesised that, again, the elements of trustworthiness denote high trustworthiness for the trustee organisations and are associated with high PA and low NA.

The positive pole or pleasant feelings that the group shared regarding its alliance with the partners were illuminated further by the following:

"Most of the time, organisations that form relationships with us are interested in the real job allocated us. We have our expertise and they also do. Sometimes we learn from them as much as they learn from us."

The stance of the values trust alliances may also be a reflection of the relatively low NA score of 15.30 that indicated fewer apprehensions and more reassurances about the possibility of opportunistic behaviour on the part of the partner organisations.

It may be conjectured that the focal organisation's perceptions of the partner organisations' high integrity manifesting as values of honesty and reliability, for example, keeping its promises together with its firm belief that formal contracts were not the foundation of the alliances, were associated with the relatively high PA and low NA.

6.6.1.3 Factor C group or duped trust alliances: Low PA and high NA: Sadness and lethargy, irritable, distressed and upset by TC partners' untrustworthiness and being used as a façade for black economic empowerment

- The focal duped trust alliances HDI group defining Factor C viewed its TC partners as knowledgeable about the industry in which the alliance operated.
- The focal HDI also experienced its TC partners as undependable because they did not keep their promises.
- With regard to the performance of alliance tasks, the focal group did little or nothing while the TC partners did all the work on behalf of the alliances because they did not want the group to gain business expertise.
- The group had not initiated the alliances with its TC partners. However, its partners were TCs and, therefore, they did not possess the credentials required for compliance with legislation. The group had been approached by the TC partners to form alliances because, as black people and owners of the HDIs, the group possessed the credentials required by legislation.

The biographical data of the duped trust alliances group defining Factor C revealed that the duration of its present alliance was in the initial stage of one to three years. On average, the duped trust alliances group defining Factor C reported moderate dissatisfaction with their present alliance. In view of this and also the above-mentioned experiences of the group it was clear that the TC partners were experienced as untrustworthy and that trust for the TC partners was likely to be extremely low.

Contrary to the scores for the sincerity trust alliances groups and the values trust alliances, the duped trust alliances group defining Factor C averaged scores of 16.00 and 36.40 on the PA and NA scales respectively. The PA score of 16 was relatively low and revealed that the group defining Factor C was characterised by sadness and lethargy, both emanating from its TC

partners' unreliability and disinclination to share alliance duties and responsibilities with the focal HDI group. The reluctance to share alliance tasks was perceived by the focal HDI group as the TC partners' way of thwarting the group from gaining business expertise. In addition to the above-mentioned negative experiences as revealed by the factor scores distinguishing the group, the wretchedness of the group defining Factor C was apparent from the post-Q sorting interviews:

"But, at times, I feel like I am letting myself down because I am not sure and I don't really know if the guy would still want business with me if I was not a woman and black. That's why I have scored (+5) for **44**."

"You know, the stuff about window-dressing you read about in newspapers is true. Myself, I will not allow it. He chose me because I am an African woman. You know, you think somebody approaches you because he sees talent or potential in you only to find out that he sees an opener of doors and tenders for himself."

"My partner thinks I am not clever. When I started with the alliance I was hoping that he would practise what he preached. Now it is clear he was thinking of using me."

The preceding verbatim statements reflected the group's despondency and resonated with the average relatively low PA score of 16.00 that the HDI group defining Factor C obtained. The PA score of 16.00 revealed the absence of pleasant feelings such as excitement and enthusiasm.

<p>It may be theorised that the focal HDI group's perceptions of partner untrustworthiness and being used as a façade for black economic empowerment precipitated the low PA and high NA, thus indicating the group's sadness, lethargy, irritability and distress and how upset the group was.</p>

6.6.1.4 *Factor D or vigilant trust alliances: Relatively High PA in relation to NA: High energy, total concentration and pleasurable engagement flowing from the opportunities to learn and coexisting with unpleasant experiences exemplified by the lack of integrity and reliability of the TC partners. However, contracts were used to circumvent opportunism on the part of the TC partners*

- The HDI group defining Factor D or the vigilant trust alliances experienced its TC partners as lacking integrity because they behaved in a dishonest manner towards it and lacked consistency between their words and actions as reflected by their failure to keep their promises.
- As a result the HDI group defining Factor D relied on the formal contract to safeguard its interests against possible opportunism on the part of its TC partners.
- Therefore, the impact of the TC partners' lack of integrity and reliability was neutralised and curtailed by the use of the formal contracts to safeguard the focal group's interests.

The biographical information of the group defining Factor D revealed that the group had immense experience of +7 years in business alliances.

The group defining Factor D obtained a relatively high PA score of 34.50 compared to the NA score of 23.80. As already explained, a high PA score implies high energy, total concentration and pleasurable engagement. Despite their perceived lack of integrity and reliability, the group defining Factor D shared high regard for the TC partners' ability or competence because, when choosing these partner organisations, it had been guided by the business skills and knowledge of the TC partners. The significance of the TC partners' competence was unquestionable while the focal HDI group did not appear to be naïve about and oblivious to both the negative trust experiences referred to above as well as the TC partners' abundance of resources such as skills and finance (see verbatim statement below):

"Make no mistake, TCs are skilful, knowledgeable and have big networks and the financial strength. They control quarries, steel, brick and cement – the items that are on a critical path."

It may be hypothesised that the unpleasant experiences of the focal HDI group as exemplified by the lack of honesty and consistency of its TC partners as well as their tendency to thwart the group's attempts to learn had precipitated the use of formal contracts both to preserve the
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group's interests and to find creative ways in which to learn from the well-resourced TC partners. These mixed pleasant and unpleasant experiences may have suggested coexistence of a relatively high PA and a high NA (PA score higher than NA score) as reflected in the high energy, total concentration and pleasurable engagement flowing from the opportunities to learn as well as the use of formal contracts in order to circumvent opportunism and also the unpleasant experiences exemplified by the lack of integrity and reliability of the TC partners. However, it can also be inferred that the positive experiences outweighed the negatives for the vigilant trust alliances group.

6.6.1.5 Factor E or deceitful trust alliances: High PA and high NA: Shame and guilt but determined to exploit the black economic empowerment system imposed on us

- The deceitful trust alliances TC group defining Factor E experienced its HDI partners as lacking in ability as was shown by the perceptions that they lacked knowledge about the industry in which the alliance operated. In view of the deceitful trust alliances group experiences of its HDI partners as low in competence, it was to be expected that the latter would not be capable of making decisions on behalf of the alliances. In addition, the qualitative data militated against the notion of the HDI partners making alliance decisions, let alone competent decisions.
- It should be remembered that this focal group had not chosen its HDI partners because of their business skills and knowledge. The deceitful trust alliances TC group defining Factor E had formed an alliance with its HDI partners primarily so that they could open political doors for it. As noted, the group considered the political influence of its HDI partners as more important than the credentials required for compliance with legislation.
- The political credentials were seen as more crucial than the legislative credentials because they made it possible for the HDI partners to acquire contracts from the government and other state-owned enterprises on behalf of the alliance.
- The deceitful trust alliances group acted in a manner that safeguarded its interests at the expense of the alliance. The focal group's self-centredness and aggrandisement manifested despite the substantial benefits from the government contracts which were facilitated by their HDI partners.

- Initially, the focal group had made small investments in smaller projects of the alliance. However, with time and the perceived cooperation of its HDI partners the deceitful trust alliances group defining Factor E had been encouraged by the alliance achievements to make a larger investment.
- The small investments in smaller projects were meant to establish both the trustworthiness of its HDI partners and the viability of the project. The larger investment was made after the success of the initial smaller investment in the alliance had reduced the group's uncertainty about the future behaviour of its HDI partners following the positive business performance of the alliance.
- The deceitful trust alliances group defining Factor E expressed the view that its HDI partners had not chosen it as an alliance partner to neutralise future competition.

As already noted, the focal deceitful trust alliances group defining Factor E chose the HDI partners based on the criteria of political influence and the credentials required for compliance with legislation. The group experienced its HDI partners as only "interested in money" and not in learning.

The deceitful trust alliances group averaged relatively high scores of 25.30 and 32.00 on the PA and the NA scales respectively. It must be remembered that this was the group that believed that it had no choice but to work with blacks. As one participant from the group articulated:

"Of course, sometimes I don't like our business because ... but, at the same time, it puts bread on my partner's table and my table. We are able to survive because of our business. The government makes it difficult for white people to acquire business. If you want your business to increase and grow, I have to have a black person if you want it grow even if he does not understand business. Maybe he will understand it as time goes on."

The relatively high PA score of 25.30 revealed that the deceitful trust alliances group defining Factor E was determined, strong and enthusiastic to use its HDI partners to accomplish the objective of growing its business.

6.6.1.6 *Factor F or inclination to trust alliances: High PA and high NA: Energetic positive moods reflecting pleasant alliance experiences but upset, irritable and ashamed by the HDIs having been seduced into functioning as a façade for black economic empowerment*

- The inclination to trust alliances group defining Factor F felt strongly that the lack of social interaction between black and white people over the years had affected the level of its trust in its TC partners.
- This feeling may help explain why the inclination to trust alliances group relied on written contracts to have “something to fall back on” in case of a lack of performance or prejudiced performance or opportunism on the part of the TC partners. For the inclination to trust alliances group defining Factor F, formal contracts were relatively unimportant in the group’s business relationship with its TC partners.
- The inclination to trust alliances group had a high tendency to trust others as was reflected in its tendency to give people the benefit of the doubt when it first met them. The group’s propensity to trust was supported by its strong belief that others could be counted on to do what they promised to do.

The inclination to trust alliances group defining Factor F comprised blacks or individuals who owned HDIs. However, the group did not believe in mixing politics with business. The inclination to trust alliances group expressed the opinion that business alliances between TCs and HDIs could thrive, even outside of political considerations or expediency.

The group defining Factor F obtained averaged scores of 24.33 and 22.00 on the PA and the NA scales respectively.

The group defining Factor F was proud about its involvement in and contribution in the business of the alliance. This feeling may assist in explaining the relatively high PA score of 24.33. One group member articulated the feelings of pride the group associated with its alliance:

“Like you can see the negatives items, my company does not go into alliances and fold arms. I have always made sure about our partners and that we do our share.”

The findings presented above provided interesting data on the association between the groups defining the six factors and their respective scores on the PANAS (Watson et al., 1988). The association was explored by examining the trust experiences of the respective groups with their partner organisations and their respective scores on the PANAS (Watson et al., 1988). This association is further explained in the discussion below.

In short, the association between the groups defining the six factors which emerged and were labelled *a posteriori* and their respective scores on the PANAS (Watson et al., 1988) were explored above. As already explained, the PANAS (Watson et al., 1988) scores for the six groups were obtained by averaging their respective scores. Table 6.37 summarises this association between the factors and PANAS. In the table the respective groups are identified with the labels. The next column contains a global description of the group based on its experiences with its alliance partners while the adjacent column indicates the element of trust that typified the group and distinguished it from the other groups. The elements of trust in this column also serve as evidence of a justification for the descriptions of the groups. The specific item number and the PA and NA scores are also provided in order to clarify the association.

Table 6.37: *Association Between the Factors and PANAS (Watson et al., 1988) scores*

Factor	Description: Positive or Negative Experiences	Element of Trust	Item Number	PA	NA
E	TC group that used HDIs as a façade for economic empowerment	Social uncertainty	23	25.30	32.00
E	TC group that used HDIs as a façade for economic empowerment	Social uncertainty	34	25.30	32.00

Factor	Description: Positive or Negative Experiences	Element of Trust	Item Number	PA	NA
A	Predominantly HDI with positive partner experiences	Contextual factors	13	38.80	12.20
F	HDI with positive partner experiences	Contextual factors	35	24.33	22.00
A	Predominantly HDI with positive partner experiences	Integrity	19	38.80	12.20
A	Predominantly HDI with positive partner experiences	Integrity	30	38.80	12.20
B	Positive partner experiences	Integrity	8	37.00	15.30

Factor	Description: Positive or Negative Experiences	Element of Trust	Item Number	PA	NA
D	Irrepressible and experienced HDI which could anticipate negative conduct on the part of the TC	Integrity	19	34.50	23.80
A	Predominantly HDI with positive experiences	Benevolence	7	38.80	12.20
C	HDI group with negative TC partner experiences	Ability	39	16.00	36.40
E	TC group that used HDIs as a façade for economic empowerment	Ability	39	25.30	32.00
E	TC group that used HDIs as a façade for economic empowerment	Ability	28	25.30	32.00

Factor	Description: Positive or Negative Experiences	Element of Trust	Item Number	PA	NA
B	Positive partner experiences	Reliable	21	37.00	15.30
C	HDI group with negative TC partner experiences	Reliable	32	16.00	36.40
D	Irrepressible and experienced HDI which could anticipate negative conduct on the part of the TC	Reliable	10	34.50	23.80
F	HDI with positive partner experiences	Propensity to trust	38	24.33	22.00
F	HDI with positive partner experiences	Propensity to trust	27	24.33	22.00
B	Positive partner experiences	Trust and contracts	37	37.00	15.30

Factor	Description: Positive or Negative Experiences	Element of Trust	Item Number	PA	NA
D	Irrepressible and experienced HDI which could anticipate negative conduct of the part of the TC	Trust and contracts	4	34.50	23.80
D	Irrepressible and experienced HDI which could anticipate negative conduct on the part of the TC	Trust and contracts	26	34.50	23.80
E	TC group that used HDIs as a façade for economic empowerment	Relational small wins	25	25.30	32.00
C	HDI group with negative TC partner experiences	Trust and economic empowerment	47	16.00	36.40

Factor	Description: Positive or Negative Experiences	Element of Trust	Item Number	PA	NA
C	HDI group with negative TC partner experiences	Trust and economic empowerment	33	16.00	36.40
E	TC group that used HDIs as a façade for economic empowerment	Trust and economic empowerment	45	25.30	32.00
E	TC group that used HDIs as a façade for economic empowerment	Trust and economic empowerment	11	25.30	32.00
E	TC group that used HDIs as a façade for economic empowerment	Trust and economic empowerment	49	25.30	32.00

In order to conclude the presentation in this section, the second empirical aim of the study is restated as follows:

Research aim 2: To explore the feelings or emotions that the participants associated with their experiences of trust in the TC and HDI alliances in which they had participated. The next section discusses the exploratory findings regarding the association between trust experiences and affect.

6.7 DISCUSSION: TRUST AND AFFECT

The discussion that follows aims to illuminate the findings presented in the preceding section. Information on specific factor groups and PA and NA scores are used to elucidate the findings. In view of the paucity of research in this area of investigation and the exploratory nature of the section, the discussion should be regarded primarily as conjectures that, it is hoped, may be further examined by other appropriately designed studies. The propositions posited in chapters 4 and 5 are also related to the results. In the context of this discussion, the propositions are treated as conjectures that are tentatively supported or not supported by the exploratory data.

The findings regarding the association between affect and the trust experiences of the six groups are discussed in the following pages.

6.7.1 High trust feelings co-occurring with high PA and low NA scores

The sincerity trust alliances group defining Factor A obtained averaged scores of 38.8 and 12.2 for PA and NA respectively. These scores of 38.8 and 12.2 signified a relatively high PA and low NA. High PA indicates the extent to which a person feels enthusiastic, active and alert (Watson et al., 1988). Thus, the relatively high PA implied that the sincerity trust alliances group defining Factor A was characterised by high energy, total concentration and pleasurable engagement (Watson et al., 1988). People associated with high PA are usually actively involved with the environment (Beer et al., 2013).

It was observed that the sincerity trust alliances group defining Factor A experienced its predominantly TC partners as trustworthy based on their integrity and benevolence. This positive experience that the trustee is trustworthy reduces social uncertainty and the focal organisation's perceptions of its vulnerability. However, trust and trustworthiness are not synonyms and trust may sometimes not arise even if the partner is perceived as trustworthy (Dietz, 2011). It may be argued that, in this case, the group defining Factor A had experienced its partner organisations as trustworthy and followed this with a declaration of trust for its predominantly TC partners. In view of the perceived trustworthiness and the affirmation of trust for its partner organisations, the high energy, total concentration and pleasurable engagement as well as the concomitant calmness and serenity that characterised the group's feelings about its alliance with its partners over the previous six to twelve months, the sincerity trust alliances

group may have been more willing to engage in risk-taking actions than may otherwise have been the case (Schoorman et al., 2007; Tenzer et al., 2014; Watson et al., 1988).

The values trust alliances group defining Factor B shared a lot with the group defining Factor A and appeared to be trusting as well as proud and highly gratified by its alliances with its partner organisations:

“The organisations that partner with us want to grow and gain experience.”

It emerged from the qualitative data that the values trust alliances group defining Factor B felt interest, pride and inspiration as a result of its association with its partner organisations. The partners’ trustworthiness and the belief that the formal contract was not the foundation of the alliance relationship with its partner organisations attested to the positive experiences of the group:

“There are many alliances like ours without a written document. But it is more about shared values and what one can deliver.”

The basis for the association of relatively high PA and low NA was, therefore, largely similar and dissimilar to a lesser extent for the groups defining Factors A and B. For the values trust alliances group defining Factor B, integrity was anchored in the values of honesty and reliability that were founded on the promises the partners kept. The saliency of honesty and reliability, together with the interview data, underpinned the group’s belief that a formal contract was not the foundation of the alliance relationship with its partner organisations. On average, the values trust alliances group appeared to be satisfied with its current alliances. However, this overall level of satisfaction with the alliance was lower than that of the sincerity trust alliances group defining Factor A.

According to Cropanzano et al. (2003), the high pole of negative feelings, such as anger, is anchored in unpleasant feelings while such feelings are absent at the low pole. In other words, there is an absence of the unpleasant feelings at the low pole. The feelings of calmness and serenity are associated with the contentment and tranquillity that appeared to characterise the alliances of the sincerity trust alliances group defining Factor A. Both the relatively high PA of the group and the relatively low NA may to be said to have revealed its contentment and

serenity which may be associated with the group's scoring of "more than satisfied with the current alliance".

Given the high positive trust experiences enunciated above and the relatively high PA and low NA scores for the groups defining Factor A and Factor B, the experiences of the two groups are similar and tentatively supported proposition 19:

Proposition 19: The focal TCs or HDIs that perceive their business alliances as characterised by high or strong trust will demonstrate high PA and low NA scores.

It has been observed that both the sincerity trust alliances and the values trust alliances groups shared favourable trust experiences as well as high PA and low NA scores, thus providing support for the proposition.

6.7.2 Low trust feelings co-occurring with low PA and high NA scores

The relatively high NA score of 36.40 for the group defining Factor C may be positioned at the high pole of negative feelings and revealed the unpleasantness which had characterised the focal group's experiences with its TC partners. More specifically, the relatively high NA score provided support for the focal group's verbatim statements that had conveyed that the duped trust alliances group defining Factor C was upset and distressed by its experiences with its TC partners. The notion of being treated as a façade for black economic empowerment manifested in the relatively high NA score and was verbalised as follows by the participants from the focal group:

"I have a lot at stake in this business. It is not that I am not working hard (contrasting this with reference to her partner organisation who did most of the alliance work). I source the tenders and other work from government and other organisations."

"My partner thinks I am not clever. When I started with the alliance I was hoping that he would practise what he preached. Now it is clear he was thinking of using me."

Further signs that the HDI duped trust alliances group defining Factor C was irritable, distressed and upset with the TC partners' disinclination to share business information or facilitate the group's learning about the business of the alliance were illustrated in the comparatively high NA

score of 36.40 and resonated with the following verbatim statement made by a member of the group:

“You can just see somebody who tries to hide information from you I don’t think he gives me little money or cheats me financially. With finance he is open. The biggest problem is sharing business information with me. My biggest weakness has been my trusting – but what can I do or say? We have been in this for long and he is still doing things for the business not including me. It is not that I doubt his skills and knowledge. We can talk and talk.”

The group defining Factor C was characterised by low levels of trust and relatively low PA score of 16.00 and high NA score of 36.40. Sadness and lethargy typified the duped trust alliances group. Weariness and misery on the part of this focal group of HDIs were evident in its verbatim statements. For one participant, the experience with the TC partner had been both shock and a revelation. The “stuff that people read about in newspapers concerning blacks being seduced into roles of openers of doors and sources of government tenders” clearly elicited feelings of despondency and weariness when they became either actual or factual.

The group defining Factor C, the duped trust alliances revealed low and negative trust experiences from its TC partners and the relatively low PA and high NA scores. The experiences of the duped trust alliances group tentatively supported proposition 20:

Proposition 20: The focal TCs or HDIs that perceive their business alliances as characterised by weak or low trust will demonstrate low PA and high NA scores.

6.7.3 Mixed trust feelings co-occurring with high PA and NA scores but PA score higher relative to NA score

Business alliances may involve high risks of opportunism and knowledge appropriation, thus heightening the possibility of disputes arising between the partners (Das & Rahman, 2010; Şengün & Wasti, 2011). When perceptions of risks of opportunism are high, the focal group defining Factor D resorted to contracts. As noted earlier, proposition 18 found support in the experience of the group defining Factor D, the vigilant trust alliances. It should be stated that using formal contracts circumvented or ameliorated the possible risks and by that very fact increased the pleasurable engagement of the group.

With regard to the vigilant trust alliances group defining Factor D, there was a reference to CAPO, a TC perceived to enjoy a near monopoly status in the chemical industry, its financial strengths and its management practices that aimed at barricading entry to keep HDIs out of the industry and prevent competition. CAPO does not involve its HDI partners in its core business of chemical manufacturing to ensure that they never learn and develop expertise in the industry. In recounting the incident, the participant was demonstrating an awareness of the complexities characterising alliances between TCs and HDIs. However, the focal HDI vigilant trust alliances group defining Factor D was not waiting for things to happen to it but, instead, took the initiative in protecting itself against the possible dishonesty and undependability of its TC partners through formal contracts. The focal HDI group was also aware of its TC partners' reluctance to share business knowledge. It became clear this awareness expedited initiatives to ensure that learning occurred. Such initiatives undertaken by the group helped explain its engagement with the environment.

The impact of the TC partners' lack of integrity and reliability was limited by the use of the formal contracts to safeguard the interests of the focal HDI group defining Factor D, the vigilant trust alliances group. The group had been able to uncover crucial information regarding both the alliance prospects and the trustworthiness of its partner organisations before committing more extensive resources to the alliance. Therefore, it may be inferred that it was partly due to the opportunities to learn from the TC partners and the group's purposeful use of the formal contract that the vigilant trust alliances group defining Factor D had obtained a high PA score.

The assertion that the vigilant trust alliances group was cognisant of some impediments that faced it in its alliances with TCs, including the TCs trying to prevent it acquiring skills was corroborated by one participant:

"Business alliances with whites don't create authentic empowerment because there is no transfer of business skills. They encourage and make sure you remain dependent."

The high PA of the vigilant trust alliances group defining Factor D implied that, like the sincerity trust alliances group defining Factor A, this group was characterised by high energy, total concentration and pleasurable engagement and was actively involved with the environment (Beer et al., 2013; Watson et al., 1988). Gilmore et al. (2013) described high PA as a general tendency to interpret environmental stimuli in positive ways. It may, thus, be inferred that the

vigilant trust alliances group defining Factor D did not passively wait for events and incidents to happen to it but, instead, the group engaged with such events and incidents in positive ways. The analysis of the post-Q sort interviews clearly showed that there had been no deliberate transfer of skills from the TCs because they did not voluntarily enable HDIs to learn. However, the focal group had taken the initiative and proactively and deliberately learnt, thus illustrating its active engagement with its environment.

This explained the relatively high PA score that revealed the vigilant trust alliances group's experiences of intense pleasant feelings such as their interest, excitement and enthusiasm at working with skilful and well-resourced TC partners and the opportunity to learn. In contrast to the PA score, the vigilant trust alliances group obtained a high NA score of 23.80 that is relatively lower than the PA score of 34.50. However, the NA score was relatively high but lesser than the PA score and, may have indicated something about the group's unpleasant experiences. These unpleasant experiences were exemplified by the lack of integrity and reliability of the TC partners which had caused the focal group to feel distressed, upset and irritable. But the unpleasant experiences were circumvented when the group defining Factor D used formal contracts to ensure the TC partners perform honestly and to safeguard against potential opportunism. Hence the more pleasant trust experiences outweigh the unpleasant; the higher the PA than the NA score.

The group defining Factor D, the vigilant trust alliances revealed mixed trust experiences from its TC partners and the relatively high PA and NA scores. However, the PA score was higher than the NA score. The experiences of the vigilant trust alliances group tentatively supported proposition 21:

Proposition 21: The focal TCs or HDIs that perceive their business alliances as characterised by mixed trust feelings will demonstrate high PA and high NA scores. However, higher PA score relative to NA score indicates that the pleasant outweigh the unpleasant. Similarly, the higher NA score relative to the PA score indicates that the unpleasant outweigh the pleasant.

It appeared that the general awareness of the vigilant trust alliances group defining Factor D of the asymmetrical relationship of its alliance in terms of resources and its desire to access both the visible and invisible assets controlled by the TCs had induced it to enter into alliances with

the latter. This together with the concerns that face HDIs in alliances with TCs had increased the former's awareness that the group had to take the initiative in developing itself:

"As a black person you need to be proactive and deliberately learn. You have to go into their systems and check. They do not voluntarily enable you to learn."

6.7.4 Mixed trust feelings co-occurring with high PA and NA scores but NA score higher relative to PA score

- The deceitful trust alliances TC group defining Factor E experienced its HDI partners as lacking in ability and primarily formed business alliances with them so that The deceitful trust alliances TC group defining Factor E had formed an alliance with its HDI partners primarily so that they could open political doors for it.
- The political credentials were seen as more crucial for the HDI partners to acquire contracts from the government and other state-owned enterprises on behalf of the alliance.
- The deceitful trust alliances group acted in a manner that safeguarded its interests at the expense of the alliance.
- Beginning with small investments in smaller projects of the alliance to establish the trustworthiness and reduce uncertainty about the future behaviour of its HDI partners, the focal TC group defining Factor E was encouraged by the alliance achievements to make larger investments.

Clearly, the deceitful trust alliances group defining Factor E had been determined to form alliances with blacks because that was the only way in which to access the government contracts. However, the experience was also unpleasant to the group. PA and NA are mood factors that are not opposites but, rather, distinctive dimensions and are not mutually exclusive (Watson et al., 1988). Consequently, a high PA (scored 25.30) and high NA (scored 32.00) characterised the group defining Factor E. A high PA and high NA simultaneously, as in the case of this group, revealed the presence of intense interest, inspiration, determination, distress, guilt and hostility at the same time. Positive and negative emotions may coexist, even in problematic business relationships and influence what occurs in such relationships (Tähtinen & Blois, 2013).

The high NA score of 32.00 indicated the feelings of shame and guilt on the part of the focal deceitful trust alliances defining Factor E for using the HDI partners as a façade for black economic empowerment. The negative perceptions of the government's black economic empowerment policy provides evidence that the deceitful trust alliances group was upset and hostile at what it perceived as the government's discrimination against whites.

The relatively high PA score of 25.30 provided evidence that the deceitful trust alliances group defining Factor E was strong and enthusiastic and also determined to use its HDI partners in order to accomplish its objective of growing its business. The group defining Factor E, the deceitful trust alliances revealed mixed trust experiences from its TC partners and the relatively high NA to PA scores. The experiences of the deceitful trust alliances group tentatively supported proposition 21:

Proposition 21: The focal TCs or HDIs that perceive their business alliances as characterised by mixed trust feelings will demonstrate high PA and high NA scores. However, higher PA score relative to NA score indicates that the pleasant outweigh the unpleasant. Similarly, the higher NA score relative to the PA score indicates that the unpleasant outweigh the pleasant.

However, higher NA score relative to the PA score indicates that the unpleasant outweigh the pleasant for the deceitful trust alliances group.

6.7.5 Mixed trust feelings co-occurring with high PA and NA scores but NA score higher relative to PA score

The inclination to trust alliances defining Factor F comprised a group of focal HDIs whose trust was anchored in a strong propensity to trust. The group's propensity to trust was grounded on the finding that, in the main, the group tended to give people the benefit of the doubt when it first met them as well as its strong belief that others could be counted on to do what they promised to do. The experience of the group is summarised by the following verbatim statement:

"I am a trusting person who gives people an opportunity to prove themselves. I have trusted both black and white people, not because they are black or white but because maybe it made business sense. I have also been disappointed by both black and white companies."

The group shares an inclination to trust as well as strong a belief that trust is the foundation of its relationship with its partners. The latter belief is shown by the emphatic approval indicated by item **15** scoring (+5). This response may be contrasted with the group's response to item **37** which scored (+2) and which stated that the formal contract was the foundation of the relationship with its partner organisations. However, despite the strong belief that trust was the foundation of its relationships with its partner organisations, the group also relied on the written contract to have "something to fall back on" in the event of a lack of or prejudiced performance on the part of the partner organisations and, specifically, to ensure that the partner organisations performed its duties and responsibilities honestly. This was supported by item **4** which scored (+3).

One participant from the HDI group that defined Factor F highlighted the significance of trust and also the reason why contracts were important:

"Shaking hands shows trust and is fundamental in my alliance. If trust is non-existent, you are going nowhere. We need to be open. Sometimes it does not work. You have to work on the basis of trust. So you need a contract as something to fall back on."

However, the group defining Factor F also believed that the phenomenon of lack of interaction between black and white people over the years had affected the level of trust it placed in its TC partners.

The PA score of 24.33 was relatively high, thus revealing the pleasant experiences that reflected the cheerful and energetic positive moods that resulted from the focal inclination to trust alliance group defining Factor F. An inference can be drawn from the relatively high PA score that the inclination to trust alliances group defining Factor F was stimulated, inspired, energised and enthusiastic about its alliance with its TC partners. The focal HDI group was interested in making its alliance work and felt both strong and proud that, contrary to expectations, its alliances were not based on political influences and considerations:

"I do not believe in political favours. Of course, even black people go into this because they have political connections. We wonder why white people don't take us seriously at times – we let them buy our faces. I don't open political doors for anybody or any company. I don't have partners that open political doors."

This excerpt also helps to explain the NA score of 22.00. The inclination to trust alliances group defining Factor F felt upset, distressed, irritable and ashamed by the conduct of some blacks who were prepared to enter into business for reasons of political expediency and were willing to be used as façade for black economic empowerment by TCs. One participant from the group felt that she was actually used by the TC partners as a façade for black economic empowerment. It can be stated that proposition 21 finds some support from the relatively high PA and NA scores of the group defining Factor F:

Proposition 21: The focal TCs or HDIs that perceive their business alliances as characterised by mixed trust feelings will demonstrate high PA and high NA scores. However, higher PA score relative to NA score indicates that the pleasant outweigh the unpleasant. Similarly, the higher NA score relative to the PA score indicates that the unpleasant outweigh the pleasant.

Based on the preceding discussions, it was plausible to conclude the following:

The more positive the trust experiences of the focal group, the higher the PA score and the lower the NA score.

The more negative the trust experiences of the focal group, the lower the PA and the higher the NA score.

The stronger the positive and negative trust co-experienced, the greater the chances of the higher PA and NA scores co-occurring.

In situations in which positive and negative trust are co-experienced, the magnitude of either will influence the relative size of the co-occurring PA and NA scores so that, if positive experiences outweigh negative experiences, the PA score will be higher relative to the NA score.

In situations in which positive and negative trust are co-experienced, the magnitude of either will influence the relative size of the co-occurring PA and NA scores so that, if negative experiences outweigh positive experiences, the NA score will be higher relative to the PA score

In alliances in which moderate levels of both positive and negative trust are experienced, the level of PA and NA will also be moderate.

In short, the aim of uncovering the feelings or emotions that the participants associated with their experiences of trust in the TC or HDI alliances in which they participated have been explored. This is evidenced by the descriptions of the six factor groups and their respective PANAS scores. Table 6.37 presents a summary of the exploration.

The next section aims to integrate the theoretical and empirically manifested elements of trust into a model for understanding trust in business alliances between TCs and HDIs.

6.8 THE HARMONISED MODEL: DISCUSSION

This section begins by restating the third aim of the empirical study.

Research aim 3: To integrate the theoretical and empirically manifested elements of trust into a model for understanding trust in the context of business alliances between TCs and HDIs.

In integrating the theoretical and empirically manifested elements of trust into a model for understanding trust in business alliances between TCs and HDIs, the two sets of elements are being harmonised with the understanding that the latter (empirical) takes precedence over the former because the data or the participants' voice are both fundamental and crucial. The latter part of the preceding statement stems from one of the fundamental tenets of interpretive and constructivist qualitative research and Q methodology, namely, that, through Q sorting, research participants construct their own operational models of the world and a researcher should guard against being overly intrigued by his/her constructions and, thus, neglect those of the participants (Brown, 1980). The data derived from the post-Q sort interviews formed part of the empirical data and were equally vital in the construction of the harmonised model.

It was suggested that a model that facilitated the understanding of organisational trust in business alliances between TCs and HDIs should be grounded on the conceptualised central construct of trust. Trust refers to the trustor or the focal organisation's willingness to be vulnerable to the actions of another party based on the belief, expectation and feeling, rooted in the context and culture of the trustor and the context of the setting, that the other party will perform a particular action important to him or her, irrespective of the trustor's ability to monitor or control that other party (Mayer et al., 1995; McAllister, 1995; McCarter et al., 2011; Schoorman et al., 2007).

The proposed harmonised model comprised a number of elements which had been identified from the literature on organisational trust and related fields as well as those derived from this empirical research study. The model is depicted in Figure 6.3. The elements of the model are then discussed.

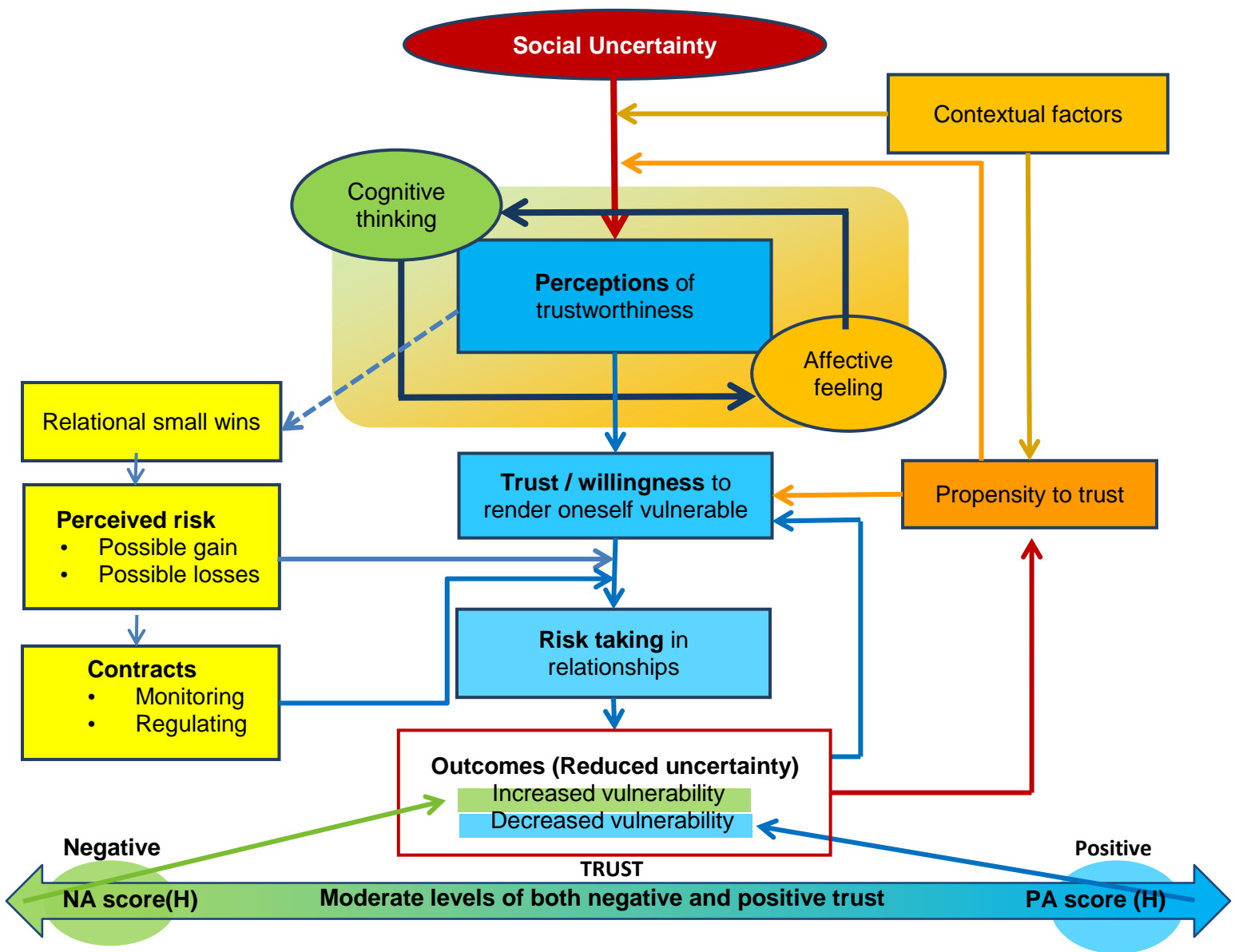


Figure 6.3: The Harmonised Model

6.8.1 Social uncertainty

One of the key elements of the proposed harmonised model for understanding organisational trust in alliances between TCs and HDIs is the notion of social uncertainty. As already explained, social uncertainty stems from a lack of information about the partnering organisation and may impede co-operation between the partners because they feel that they are not able to trust each other to work for the interests of the alliance (McCarter et al., 2011). Consequently, the partners may decide to act in a manner that safeguards individual interests at the expense of the alliance (Krishnan et al., 2006; McCarter et al., 2011). The notion of social uncertainty is important as it brings to light the element of uncertainty which is embedded in the construct of trust. As was repeatedly stated in the literature, trust would become superfluous if it was

possible to act with absolute certainty and there were no risks (McCarter et al., 2011; Mohr & Puck, 2013; Silva et al., 2012).

In the context of this study, the conceptualisation of organisational trust excluded the element of mutuality because trust was concerned with the perceptions, experiences, beliefs and feelings of the trustor and not the trustee. In other words, it referred to the focal organisation's opinion about the behaviour or characteristics of its partner organisation. Social uncertainty was, therefore, seen as the trustor organisation's lack of information about its partnering organisation. This lack of information about the partner organisation impedes cooperation as the trustor feels that the trustee cannot be trusted to work for the interests of the alliance. In fact, the literature on trust fittingly observes that the notion of business alliances generates uncertainty about the trustee's future behaviour (Dahl, 2014; Gomes et al., 2014). This is not to equate trust with the notion of co-operation but only to suggest that trust improves cooperation between alliance partners as it minimises the risks of opportunism (Bérard & Perez, 2014).

The element of social uncertainty was regarded as vital for understanding the alliances between white-owned (TCs) and black-owned (HDIs) businesses because these institutions exist in a milieu in which, for many years prior to 1994, interaction was forbidden. It has been explained elsewhere in this work that the years of separate development policies had inculcated mistrust and distrust between the various population groups in South Africa. The HDI group defining Factor F expressed the view that the lack of social interaction between black and white people over the years had affected the level of trust in its business partner. The results of the study revealed that a lack of information about one's partner organisation often affects trust in alliances between TCs and HDIs, especially in instances in which the trustor has a low propensity to trust.

6.8.2 Perceptions of trustworthiness

The lack of information about the partner organisation tended to affect the focal organisation's perceptions of partner trustworthiness. The second element of the harmonised model is the trustor's perceptions of the partner organisation's trustworthiness characteristics. The proposed theoretical model relied on the elements of trustworthiness as proposed by Mayer et al. (1995) and on Mishra's (1996) dimensions of trust. The empirical results revealed the saliency of ability/competence, benevolence/concern, integrity and reliability. These elements emerged as

significant in the empirical study because they distinguished or defined some of the groups. For example, the group defining Factor A experienced its predominantly TC partners as high in integrity while the group defining Factor D experienced its TC partners as low in integrity.

In line with the existing research on the subject of trust, in the proposed harmonised model, the perceptions of partner organisations' trustworthiness refer, essentially, to the characteristics that the focal or trustor organisation attributes to the trustee (Vanneste et al., 2014). Social uncertainty or the focal organisation's lack of information about the partner organisation resulted in lack or the absence of information about the latter's characteristics of integrity and ability or competence, among others. The gravity of the issue of social uncertainty becomes even more important when one considers the situation of a trustor who has to decide whether or not to establish a business relationship with a trustee whose trustworthiness is unknown (Vanneste et al., 2014).

The focal organisation's perceptions of the partner organisation's trustworthiness characteristics are crucial for the formation of trust and predicted high trust scores (Schoorman et al., 2007). The trustor should cognitively appraise or intuit the trustworthiness of the trustee. The results of the study revealed the importance of the elements of trustworthiness. For example, the study identified that, for the focal group defining Factor A, partner integrity was exemplified by honest behaviour and advice to the group.

It is generally accepted in the literature that trust may be categorised into cognitive and affective components (Fan et al., 2012; McAllister, 1995). To affirm this categorisation is to accept the view that perceptions of the partner organisation's characteristics or its trustworthiness occur through thinking and/or intuition or feelings. In chapter 4, a conceptualisation of the reciprocal linkage of affect and cognition was presented, including the fluidity of the categorisation and, the permeable boundaries between the affective and the cognitive realms of trust. This study recognises the complexity of the symbiosis and views such modelling of trust as useful in explaining an extremely complex human phenomenon. Therefore emotions and cognition tend to trigger and affect each other. It may therefore be concluded that the relationship between affective and cognitive trust is not linear. Cognitive and emotional reactions influence both the cognitive and emotional aspects of trust (Andersen & Kumar, 2006; Sloan & Oliver, 2013).

Whilst only exploratory, the theorised role of PA and NA in alliances characterised by high and low trust may suggest a more pivotal role of affect or feelings in business alliances between TCs and HDIs in South Africa's economic empowerment context than was previously thought.

6.8.3 Contextual factors

It has been stated that the focal organisation's social uncertainty or lack of information about the partner organisation impedes trust, particularly cognitive trust. The impact of social uncertainty on the focal organisation's perceptions of the partner organisation's trustworthiness is influenced by contextual factors such as government suasion and legislation, socio-economics conditions, etc. These factors may have either a positive or a negative impact that may serve to facilitate or hinder cooperation between the alliance partners. The results of this study have shown the efficacy and appropriateness of contextual factors as an element of the harmonised model. For example, the HDI group defining Factor F reported that lack of social interaction between black and white people over the years had affected the level of trust in its TC business partners. In addition, the TC group defining Factor E perceived the government policy of black economic empowerment to be abhorrent as it favoured blacks at the expense of whites and, consequently, it rejected the policy. The ramifications of espousing this view were elucidated when the findings on the group defining Factor E were presented.

As stated earlier, it is important to comprehend that a plethora of contextual issues have implications for the effectiveness, duration and growth of business alliances (Malik & Zhao, 2013; Muthusamy, 2014; Vandaie & Zaheer, 2014). The significance or saliency of these issues may, however, change with time (Pidgeon, 2014; Granados & Knoke, 2013; Vanneste et al., 2014). Thus, whatever the contextual issues identified in the model or study of trust in alliances between TCs and HDIs, the saliency of the issues may differ according to both time and the context. For example, the group defining Factor F reported that a lack of social interaction between black and white people over the years had affected the level of trust in its TC partners. It is not unreasonable to anticipate that this issue may not be either relevant or important to participants in a study and who have never experienced a lack of social interaction between the different race groups in South Africa, particularly those born in the post-1990 period.

6.8.4 Relational small wins and perceived risk

In instances in which there is a lack of information about the partner organisation's trustworthiness, the trustor may resort to the use of relational small wins in order to establish the partner organisation's trustworthiness (Bérard & Perez, 2014; McCarter et al., 2011). Accordingly, the focal or trustor organisation invests in smaller projects which may enable it to address the uncertainty characterising the new alliance. The focal organisation may develop or enhance existing perceptions that the partner is trustworthy following positive experiences with the alliance partner while negative experiences may diminish existing perceptions of partner trustworthiness. To a greater or lesser extent, the relational small usually wins result in advantages for the focal party as they may clarify previously obscure characteristics of the trustee or result in larger gains being made (Rog, 2015; Van Lange, Joireman, Parks, & Van Dijk, 2013). Thus, relational small wins influence the relationship between social uncertainty and perceptions of trustworthiness by revealing that the trustee organisation is trustworthy.

A focal organisation's dependence on relational small wins may imply that it lacks information about the trustee organisation's trustworthiness. In the proposed harmonised model, relational small wins are used during the initial stages of the alliance and involve the trustor making minimal and cautious investments in the alliance. The outcomes of the relational small wins then influence the focal organisation's or trustor's perceptions of risk in the alliance with its partner organisation. The trustor organisation is able to make assessments regarding the ability, reliability or integrity of the partner organisation and, simultaneously, estimate the possible gains and/or possible losses which may arise from the alliance relationship based on the perceived trustworthiness of the partner organisation. The results of the study provided evidence of the significance and viability of the notion of relational small wins. As the group defining Factor E, the one TC group that used HDI partners as a façade for black economic empowerment reported, through relational small wins and the subsequent alliance achievements experienced, the group was encouraged to make a larger investment in the alliance. In other words the probability of failure of the cooperative venture may be lessened by increased perceptions of partner trustworthiness and positive alliance outcomes. This finding is in line with existing research on real options (Bérard & Perez, 2014; Lee, Peng, & Song, 2013). In view of the fact that the perceived risks reveal the possible gains and losses in an alliance relationship with a partner organisation, these will impact on the focal organisation's decision of whether or not to engage in risk taking behaviour. The results of the study have revealed that risks may be associated with opportunistic behaviour which may manifest in exploitation, as in

the case of the focal TC group defining Factor E taking advantage of its HDI partners, or a lack of transparency in performing alliance tasks, as in the case of the TC partners of the group defining Factor C.

If the perceived gains exceed the perceived losses, the focal organisation may engage in risk-taking behaviour and, if the reverse holds, it may avoid such behaviours. In a sense, the focal organisation's perceived risk influences the association between the trustor organisation's willingness to render itself vulnerable and the decision to take risk.

6.8.5 Propensity to trust

The trustor's characteristic referred to as propensity to trust has been shown to be one of the most significant elements in the study of organisational trust as it affects the likelihood that one will trust (Mayer et al., 1995; Bianchi & Brockner, 2012; Ashleigh & Higgs, 2012). As was argued in the theoretical model proposed and also as revealed in the literature review, propensity to trust in the context of the study relates to the focal organisation's inclination to trust the partner organisation without prior information about the trustee becoming available (Frazier et al., 2013).

The empirical results revealed that several of the groups defining the six factors were characterised by propensity to trust. However, only the group defining Factor F and comprising blacks or owners of HDIs showed a high propensity to trust that distinguished it from the other five groups. The propensity to trust of the group defining Factor F was anchored in both its inclination to give people the benefit of the doubt when it first met them and its strong belief that others could be counted on to do what they promised to do.

In the proposed model, propensity to trust is identified as an important element that tends to influence the association between perceptions of trustworthiness and the focal organisation's willingness to trust. In other words propensity to trust also influences the effects of the elements of trustworthiness on trust. In the absence of information about the trustee's trustworthiness, high propensity to trust regulates the association between social uncertainty and perceptions of trustworthiness. Propensity to trust also has a direct impact on the trustor organisation's willingness to render itself vulnerable. In fact, Mayer et al. (1995) postulated that propensity to trust may explain the existence of trust before the establishment of the relationship.

The model proposes that propensity to trust, as a trait that is relatively stable across situations, may be influenced by cultural, geographic, industry and economic histories (Fadol & Sandhu, 2013). Depending on whether they were positive or negative, past experiences in alliances may either enhance or decrease the focal partner's propensity to trust. An unpleasant or negative experience is one that resulted in the focal organisation losing its investment or facing a lawsuit as a result of the conduct of the trustee organisation (Schoorman et al., 2007).

6.8.6 Trust: Willingness to render oneself vulnerable

In line with existing literature and in the context of this study trust refers to the trustor or the focal organisation's willingness to be vulnerable to the actions of another and based partly on the belief, expectation and feelings, rooted in the context and culture of the trustor and the context of the setting, that the other party will perform a particular action important to him/her, irrespective of the ability of the trustor to monitor or control that other party (Mayer et al., 1995; McAllister, 1995; McCarter et al., 2011; Schoorman et al., 2007).

The key attributes of trust include willingness to take risk in the relationship and to become vulnerable to the actions of the trustee organisation (Mayer et al., 1995). The development of trust hinges on the focal organisation's perceptions of its partner organisation's trustworthiness as well as its own characteristics which manifest as propensity to trust. It is important to note that trust is limited to the trustor's willingness to take risks and excludes the behavioural manifestation of willingness to be vulnerable (Mayer et al., 1995). The results of the study showed that the groups defining the six different factors demonstrated different bases for their willingness to be vulnerable to the actions of their partner organisations. The groups' perceptions and experiences of trust with their respective partner organisations revealed varying beliefs, expectations and feelings about the partner organisations' ability or competence, benevolence or consideration, integrity and reliability. The focal organisations' perceptions of whether the partner organisations would act with integrity, be reliable, perform alliance duties with honour and be benevolent and considerate of the focal organisations' interests, regardless of the ability of the six groups to monitor the trustee organisations, were rooted in the South African context. However, trust may give rise to risk-taking in relationship.

6.8.7 Risk-taking in relationship

The role of risk in this harmonised model was enunciated a little earlier. The focal organisation's perceived risk was influential in determining whether it engaged in trusting action. The perceived risk comprises possible gains and losses that the focal organisation may incur when engaging in risk-taking in relationship. Organisations form alliances and engage in a plethora of risk-taking behaviours for the reasons as discussed in Chapter 2. In the context of this study risk-taking behaviours included the focal organisation sharing business information with the partner organisation. In the case of the group defining Factor C, the risk involved acquiring contracts on behalf of the alliance in the hope that the TC partners would be inclined to empower the focal group by enabling it to gain business expertise. Having weighed up the advantages and disadvantages of entering into an alliance, the focal organisation may decide to use contracts to compensate for its perceptions of less than desirable partner trustworthiness. The asymmetrical relationship in terms of resources, skills and value appropriation appeared to be playing a role in risk taking.

6.8.8 Contracts and trust

In the proposed harmonised model, the significance and relevance of contracts were supported by the empirical data. Mayer et al. (1995) contend that contracts and partner monitoring reflect a lack of risk taking behaviour on the part of the trustor. In the proposed harmonised model of organisational trust, the decision to use contracts is informed by the perceived risk, that is, the trustor's estimation of possible rewards and achievements are weighed against possible losses and setbacks. The result of this process then dictates whether contracts should be used. In the current proposed model, contracts are used to minimise opportunistic partner behaviour and to ensure performance, such as in the case of the group defining Factor D or in order to have something to fall back on, as in the case of the group defining Factor F. The use of contracts does not imply avoiding risk-taking in a relationship. As was reported in the empirical findings, contracts are not a substitute for trust. Implicit in this statement and in line with much of the research on organisational trust is the notion that contracts and trust co-exist in alliances (Malhotra & Lumineau, 2011).

6.8.9 Outcomes

In line with the model developed by Mayer et al. (1995) it is clear that risk-taking in a relationship is the outcome of trust. Risk-taking in a relationship may result in positive and pleasant outcomes that lead to the achievement of the initial goals of the business alliance. Favourable outcomes result in the focal organisation experiencing decreased vulnerability. However, the outcomes of risk-taking are not always positive and a focal partner may experience outcomes that are far removed from the initial rationale for initiating or agreeing to the alliance relationship. When the outcomes of risk-taking are unpleasant, the focal organisation perceives itself as more vulnerable than would otherwise have been the case.

Whatever the outcomes of risk-taking in relationship, these outcomes are transferred through the feedback loop to propensity to trust which, in turn, impacts on the trustor's willingness to render him/herself vulnerable. Propensity to trust is a trait that is relatively stable across situations. However, it is also susceptible to influence. The outcomes are also transferred through the feedback loop to rescinding a lack of information and clarifying information about the partner organisation and, thus, either dispelling or confirming the perception that the partner organisation is trustworthy.

The section above has endeavoured to integrate the theoretical and empirically manifested elements of trust into a model for understanding trust in business alliances between TCs and HDIs. The specific elements of the model have been identified and explicated. An illustration of the model is presented in Figure 6.3. The third empirical aim of the study is restated below:

Research aim 3: To integrate the theoretical and empirically manifested elements of trust into a model for understanding trust in the context of business alliances between TCs and HDIs.

The explanation of the various elements and the schematic representation in Figure 6.3 serve to affirm the assertion that the third aim of the empirical study has been adequately addressed.

6.8.10 Critical evaluation and synthesis

The theoretical model of organisational trust was predicated on existing literature and presented in chapter 3. The proposed theoretical model borrowed elements from numerous researchers on organisational trust and creatively combined these into a model that would help explain trust in business alliances between TCs and HDIs in South Africa. This model was fundamental to

the empirically derived harmonised model of trust proposed in this chapter. As has been noted when the theoretical and the harmonised models were presented, convergence with results of previous studies are notable.

Whilst the theoretical model was fundamental in developing the harmonised model, there are some departures from the initial theoretical model based on what the empirical data suggested. The theoretical model presented the element of relational small wins as impacting directly on trust. However, the complexity of the role of relational small wins is acknowledged in the harmonised model. The role of relational small wins is augmented in the harmonised model as the model recognises that in situations where perceptions of partner trustworthiness are low, relational small wins can be used to establish the trustworthiness of the trustee organisation and estimate the possible gains and losses in the alliance relationship. This point is intimately intertwined with the following one.

According to the harmonised model, as a result of the established trustee's trustworthiness and the estimation of possible gains and losses from the business alliance, focal organisations in alliances may invoke contracts to safeguard against possible partner opportunistic behaviour.

The harmonised model recognises that the possible outcomes of risk-taking are likely to reduce uncertainty in the alliance relationship. However, instead of resulting in perceptions of decreased vulnerability all the time as argued in the theoretical model, the outcomes may include the trustor's increased vulnerability. According to the harmonised model, the trustor's perceptions of vulnerability will increase or decrease with the level of trust in the relationship.

The harmonised model made several contributions to the study of organisational trust. The research study is ground-breaking because there is no preceding study on organisational trust in alliances between TCs and HDIs that has sought to develop a model that could facilitate understanding trust in these institutions. In a sense, the proposed harmonised model may be vital for facilitating understanding and enhancing effectiveness of trust in alliances between TCs and HDIs.

The contribution of the model lied in the fact that the goal of the study was never to apply or validate the model or the results to the broader population but rather to develop a working hypothesis. Therefore the proposed harmonised model may be used by other researchers as a

hypothesis to examine trust in alliances between TCs and HDIs using appropriate research designs that would validate it or investigate its prevalence or generalisability.

One of the major contributions of the harmonised model to both the literature and research on organisational trust was the significance of the contextual factors in studying organisational trust. Contextual factors such as South Africa's history of social relations, socio-economic conditions and government policy initiatives to empower the previously disadvantaged people represented a departure from a limited view of context that often refers to, for example the industry within which the study was conducted. The model's focus on the unique South African context facilitated exposure of trust challenges that beset alliances between TCs and HDIs and the issues that make these alliances work.

The proposed harmonised model made explicit some of the taken-for-granted aspects or features related to the study of trust such as social uncertainty. The element of uncertainty is embedded in the notion of trust. However, to explicitly refer to the notion of social uncertainty is to amplify the significance of the trustor's lack of information about the trustee that is more probable in alliances between TCs and HDIs in South Africa owing to years of separate development of the different race groups. The notion of social uncertainty was important as it brought to the fore the element of uncertainty which is embedded in the construct of trust. As has been repeatedly stated in the literature, trust would become superfluous if it was possible to act with absolute certainty and there were no risks (McCarter et al., 2011; Mohr & Puck, 2013; Silva et al., 2012).

The inclusion of the borrowed notion of relational small wins made an interesting connection for alliances that operated in an environment that had been characterised by distrust and mistrust between blacks and whites over the years of apartheid rule. This context was typified by huge socio-economic disparities between blacks and whites that translated into asymmetrical business alliances between TCs and HDIs in terms of business skills and knowledge and other resources vital for business success. Embedded in such asymmetrical alliance relationships are the hierarchical power differences that have implications for the path that trust could follow (Schoorman, 2007). As a result, the focal organisation would have to weigh up the advantages and disadvantages of entering into an alliance and decide to use contracts to compensate for its perceptions of less than desirable partner trustworthiness. The phenomenon of asymmetrical relationship is intimately associated with the following point.

The model also strengthened the argument that organisational trust and contracts can coexist. It was clear from the results of the study that contracts were used parallel with trust by for example the groups defining Factors D and F.

Although only exploratory, the model suggested the vital role of affect in alliances between TCs and HDIs. The association between high trust and high PA and low NA scores seemed to suggest that the pulse of trust in the alliance relationship may to some extent be inferred from the affective reactions to the experiences of trust in a partnership. The same argument is advanced for low trust and low PA and high NA scores.

The model presented proposed a more reciprocal and symbiotic relationship between affective and cognitive trust. In this way, it amplified the complexity of the taken-for-granted distinction between the two realms of trust.

Future studies should use appropriate research designs to validate the elements that comprise the model, their unique contributions to understanding organisational trust or examine the validity of the whole model. The contribution of the model lies in the fact that the goal of the study was never to apply or validate the model or the results to the broader population but rather to develop a working hypothesis. Therefore the proposed harmonised model may be used by other researchers as a hypothesis to examine trust in alliances between TCs and HDIs using appropriate research designs that would validate it or investigate its prevalence or generalisability.

The examination of organisational trust and the proposed harmonised model are rooted in the South African black economic empowerment context. The impact of some of the contextual factors has been highlighted. However, future methodical examination of contextual factors is desired so that their impact on organisational trust can be comprehended. This is essential if alliances between TCs and HDIs are to evolve into recognisable and respectable business institutions that satisfy the rationale for their existence and impact on the bottom line.

The existing literature on trust in general and affective trust in particular signified the strong interest among scholars and practitioners of organisational trust. As a result more methodical knowledge on emotions and their role in trust in business alliances is required. The issue is no longer whether emotions should be studied in trust in business alliances. The concern of future

studies should change to understanding the emotional processes and mechanisms that account for the development of trust, including emotional trust in business alliances and other modes of organising. Whilst it is generally assumed that emotions are an important component that helps explain organisational trust, this view is underdeveloped and represent fertile ground for research on organisational trust.

Although exploratory in nature, the association between organisational trust and affect has been examined. Alliances characterised by strong perceptions of partner trust were associated with high PA and low NA and those with perceptions that the partners were low in trust were typified by low PA and high NA. However, these findings require further exploration in future research as the association was not established conclusively.

The preceding discussion has provided an evaluation and a synthesis of the core elements of the harmonised model and identified some of its peculiarities. Several contributions that emanated from the model were presented. The knowledge gaps that exist were also identified as areas for future research.

6.9 CHAPTER SUMMARY

This chapter presented and interpreted the empirical results of the investigation which aimed at uncovering the experiences of individuals involved in business alliances between TCs and HDIs on the phenomenon of trust with a view to developing a model that would facilitate a better understanding of trust in these institutions. A Q methodological approach was followed in realising this general empirical aim of the study. Specifically, the following research aims of the study were achieved:

Research aim 1: To assess the trust experiences of individuals who have participated in alliances between TCs and HDIs.

Research aim 2: To explore the feelings or emotions that the participants associated with their experiences of trust in the TC and HDI alliances in which they had participated.

Research aim 3: To integrate the theoretical and empirically manifested elements of trust into a model for understanding trust in the context of business alliances between TCs and HDIs.

Based on the preceding findings of the study, the next chapter presents the conclusions reached, the limitations of the study and recommendations for both I-O psychology practice and future research.

CHAPTER 7: CONCLUSIONS, LIMITATIONS AND RECOMMENDATIONS

Research aim 4: To formulate conclusions and recommendations for I-O psychology practice and future research.

The aims of this chapter are to formulate conclusions and highlight the limitations of the research, as well as to explicate the recommendations for I-O Psychology practice. In addition, suggestions are made for future research regarding the unveiling of the experiences of individuals involved in business alliances between TCs and HDIs with regard to the phenomenon of trust, with a view to developing a model that would facilitate a better understanding of trust in these institutions. This task is delineated in terms of the theoretical and empirical components of the study and is accomplished by reviewing the aims of the two components in turn.

7.1 CONCLUSIONS

The following conclusions were drawn regarding the theoretical and empirical research aims of the study:

7.1.1 Conclusions regarding the theoretical aims of the study

The general aim of this study was to unveil the experiences of individuals involved in business alliances between TCs and HDIs relating to the phenomenon of trust, with a view to developing a model that would facilitate a better understanding of trust in these institutions. Conclusions are drawn for each of the following theoretical aims of the study.

Research aim 1: To conceptualise the construct and elements of trust and also how the elements of trust relate to business alliances in the South African economic empowerment context.

The following more specific conclusions are drawn regarding the first theoretical aim of this study:

A review of theory and models relating to trust was undertaken in the hope of identifying the core elements of the construct of organisational trust in alliances between HDIs and TCs in the South African empowerment context. This endeavour may be perceived as a response to the clarion call by Schoorman et al. (2007) to study organisational trust in different contexts and cultures.

The key attributes and assumptions underlying the proposed theoretical organisational trust model were elucidated. The proposed model borrows its core elements from the extant literature on organisational trust, specifically from Mayer et al. (1995), McAllister (1995) and Mishra (1996). However, some aspects of the model are borrowed from the notion of collective real options (McCarter et al., 2011).

Regarding the scope of the model, it can be concluded that in the context of this study, the construct of organisational trust excludes the notion of mutuality because it distinguishes between the focal organisation, or trustor, and the partner organisation, or trustee. Only the trustor can be willing to render himself/herself vulnerable to the actions of the trustee. The notion of “private real options”, as opposed to collective real options, which was elucidated elsewhere in the study, may serve as a more appropriate substitute for collective real options because it is in harmony with the pertinent concept of trust that excludes mutuality.

The first theoretical aim of the study has been resolved by developing a theoretical model that contributed new knowledge to the field of organisational trust. Therefore, no previous study has theorised about organisational trust in alliances between TCs and HDIs in the South African black economic empowerment context. However, the model provided a point of departure and a signpost for future research into trust in alliances in an empowerment domain.

Research aim 2: To elucidate the interplay between organisational trust and affect.

An extensive review of the extant literature was undertaken to develop an insightful understanding of the interplay between the phenomena of trust and affect. It is concluded that the relationship between organisational trust and affect is intricate, as trust experiences can elicit certain affective reactions and affective states can also influence organisational behaviour and ultimate decisions (Andrade & Ho, 2008). Understanding the notions of affect and trust and their interplay is significant for enhancing the viability of alliances between TCs and HDIs.

The interplay between organisational trust and affect was traced back to the reciprocal and symbiotic relationship between affective and cognitive trust. The distinction between the two realms (affective and cognitive) and their permeable boundaries highlighted the complexity of the interplay between organisational trust and affect. However, future research should focus on the nature of the reciprocal linkage and the symbiosis between the two realms.

Research aim 3: To conceptualise the implications of the proposed theoretical model of organisational trust for I-O psychology practice.

The thrust of I-O Psychology has been to create more competitive business organisations by focusing on the human side of the organisation and those behaviours that are central to the creation of more competitive organisations. The extant literature identified the significant role that trust plays in organisations and business alliances in terms of performance and competitiveness (Aalbers, 2010; Krishnan & Martin, 2006; McCarter, 2011).

It is concluded that the consideration of black economic empowerment provided the foundations for a theoretical model rooted in the extant literature on organisational trust, which simultaneously embodies unique South African experiences. The enormous trust challenges that face alliances between TCs and HDIs are apparent. The elucidated economic empowerment trajectories for the Afrikaner during apartheid, the Malaysian and the current South African experiences reveal that economic empowerment initiatives are designed to favour targeted groups or groups at the margins of economic life. However, the major challenge is the tension between the espoused policy and the policy in use. Similarly, the purported beneficiaries and those who oppose the policy or its mode of implementation seldom perceive the economic empowerment of the previously disadvantaged in the same way. These perceptions, together with the tension between the espoused policy and the policy in use, have far-reaching ramifications for trust in alliances between TCs and HDIs, which are regarded as a conduit for the economic empowerment of previously disadvantaged people. The crux of the matter is that these issues allude to the mammoth task facing I-O psychologists in their endeavours to assess trust and develop processes or measures to facilitate organisational trust in alliances between TCs and HDIs. As revealed by the results of the study, trust in alliances between TCs and HDIs is studied in a clouded milieu shrouded by distrust and mistrust between the various stakeholders.

Whilst the extant literature on trust in alliances is helpful in developing an insightful understanding of the germane issues, the gravity of the contextual setting cannot be underestimated, as asserted in the theoretical model. It is anticipated that I-O Psychology will develop a more insightful understanding of the pertinent issues and experience improved practices in the field of organisational trust in general and inter-organisational trust in black economic empowerment settings in particular.

In the next section, attention is focused on the specific empirical aims of the study.

7.1.2 Conclusions regarding the empirical aims of the study

Conclusions on the following empirical aims of the study are presented in turn:

Research aim 1: To assess the trust experiences of individuals who have participated in alliances between TCs and HDIs.

The empirical results of the study provided evidence for the existence of varied trust experiences in individuals who participated in alliances between HDIs and TCs. Specifically, the conducted factor analysis revealed six groups amongst the participants with similar and dissimilar trust experiences. The six groups and the broad aspects that typify them are provided below:

Factor A (sincerity trust alliances): Our trust is grounded in the integrity (honesty) and benevolence (consideration) characteristics of our partner organisations, regardless of race.

Factor B (values trust alliances): Integrity (adherence to the values we hold in high esteem) and reliability (keeping promises) in our partners is crucial for trust and formal contracts are not the foundation of our alliance relationship.

Factor C (duped trust alliances): Our TC partners are competent (knowledgeable about our industry) but are unreliable (undependable) and disinclined to empower (gain business expertise) us (HDIs). They use us as a façade for black economic empowerment.

Factor D (vigilant trust alliances): We rely on formal contracts to safeguard our interests against our TC partners' lack of integrity (dishonesty) and lack of reliability (inconsistency).

Factor E (deceitful trust alliances): We use our HDI partners to open political doors and acquire contracts from government and other state-owned enterprises.

Factor F (inclination to trust alliances): We have a high inclination to trust others but our trust has been affected by a lack of social interaction between blacks and whites over the years, hence we use written contracts as something to fall back on.

In short, it can be concluded that the six factors identified reflect the way in which the participants classified themselves by virtue of their Q sorts being similar or dissimilar to each other (Paige & Morin, 2014). Those participants who are like-minded on the issue of trust in alliances between TCs and HDIs have similar Q sorts and ended up on the same factor. In other words, persons were correlated in terms of how they experienced trust in the alliances they participated in (Ray, 2011). The above-mentioned six factors that emerged in this study were therefore purely empirical and dependent upon the participants' Q sorting of the Q sample, whose items did not assume meaning a priori (Brown, 1988; Cilesiz, 2011; Englander, 2012; Paige & Morin, 2014).

Future research should use appropriate research designs to investigate the prevalence of these factors or groups in alliances between TCs and HDIs in an economic empowerment context.

Research aim 2: To explore the feelings or emotions that the participants associated with their experiences of trust in the TC and HDI alliances in which they had participated.

The theoretical component of the study asserted that there is an association between trust and affect. Although at an exploratory level, the empirical data gave credence to this assertion. As explained, the PANAS (Watson et al., 1988) was used in an unconventional sense.

- It can be concluded that the exploratory empirical data revealed that in the six factor groups identified, the associations between affect and trust were characterised by some prototypes: Groups characterised by strong positive trust experiences were associated with relatively high PA and low NA scores on the PANAS (Watson et al., 1988).

Specifically, the group defining Factor A (sincerity trust alliances) and the group defining Factor B (values trust alliances) were typified by strong perceptions of trust and high PA and low NA scores on the PANAS (Watson et al., 1988).

- Groups with negative trust experiences were associated with relatively low PA and high NA on the PANAS (Watson et al., 1988). Specifically, the group defining Factor C (duped trust alliances) was characterised by low PA and high NA scores on the PANAS (Watson et al., 1988).
- Groups with mixed (intense positive and negative) trust experiences

These findings are exploratory and, although they are not out of touch with extant research (Chen & Ayoko, 2012), the intricate nature of the relationship is not underestimated. Future research should strive for more methodical knowledge on emotions and their role in developing or inhibiting trust in business alliances. The focus of future research should be on understanding the emotional processes and mechanisms that account for the development of trust, including emotional trust. The findings regarding the association between organisational trust and affect require further exploration in future research as the association was not established conclusively.

Research aim 3: To integrate the theoretical and empirically manifested elements of trust into a model for understanding trust in the context of business alliances between TCs and HDIs.

The proposed theoretical model of organisational trust comprised a number of identifiable elements. However, the empirical study buttressed the relevance and appropriateness of some of the elements in the theoretical model. Using the proposed theoretical model of organisational trust as a point of departure and the empirical findings of the study, a harmonised model of organisational trust was presented in chapter 6. It is concluded that the presentation of such a model resolves the central question and is an appropriate response to the call by Schoorman et al. (2007) for other researchers in the field to theorise and develop models that take into account the context of the research setting.

The proposed harmonised model should be viewed as a hypothesis that will facilitate the examination of trust in alliances between TCs and HDIs. Future research should develop appropriate research designs that can be used to validate the proposed harmonised model or to investigate its prevalence or generalisability.

The core conclusions of the empirical study are as follows:

The study revealed that ability, benevolence, integrity and reliability were the trust elements that distinguished the factors. Focal organisations that perceived that their alliance relationships were established on trust tended to view trust as the foundation of their alliance relationships. The values trust alliances group tended to offer support for proposition 6, which stated that the focal TCs or HDIs that experience their partners as trustworthy will perceive trust as the foundation of their business alliances.

The relatively experienced HDI group defining Factor D, the vigilant trust alliances initiated, formed business alliances with their more resourced and experienced TC counterparts with the primary purpose of accessing business knowledge and being empowered in terms of business skills and knowledge, despite the hurdles and impediments to learning that the latter erected. This finding supported proposition 7 that stated that focal HDIs will form business alliances with TC counterparts perceived to be more resourced and more experienced with the primary purpose of accessing the TC partner's business knowledge so that they can be empowered in terms of business skills and knowledge.

Equally, in the duped trust alliances defining Factor C, the group shared the strong desire to learn from alliances that were initiated by their TC partners. For the group defining Factor C, acceding to a request by the TC partners to form alliances brought about negative outcomes. As explained elsewhere, such negative outcomes have the undesired impact of increasing the focal organisation's vulnerability. Proposition 16 stated that negative outcomes from the risk-taking behaviour will result in perceptions of increased vulnerability on the part of the focal or trustor organisation which will strain the relationship and may result in the alliance being discontinued. This proposition found support in the experiences of the group defining Factor C as described above.

On the basis of the experiences of the group defining Factor D and to a lesser extent the group defining Factor C, it is concluded that some HDIs perceive some TCs as high in ability trust and take the initiative or agree to form alliances with them when approached. This conclusion tends to support the existing theory on alliances but also lays a very strong foundation for a theory of alliances in the South African economic empowerment context. The perception that a partner organisation is characterised by ability trust is an essential ingredient and is more appropriate

for HDIs that seek to be empowered. The voices of the group defining Factor D, or the vigilant trust alliance, underline the centrality of ability trust: “Make no mistake, TCs are skilful, knowledgeable and have big networks and the financial strength. They control quarries, steel, brick and cement – the items that are on a critical path.”

Propensity to trust emerged as a significant element of trust when it distinguished the inclination to trust group defining Factor F from the other factors. Therefore, proposition 9 found support in Factor F. Proposition 9 stated that the focal HDI or TC organisations that are high in propensity to trust will demonstrate stronger trust in the HDI or TC partners than may otherwise have been the case. This conclusion is in support of previous research on trust (Fan et al., 2012).

Propensity to trust is a relatively stable but not context-dependent trait (Ashleigh & Higgs, 2012; Bianchi & Brockner, 2012; Mayer et al., 1995). Although high in propensity to trust, the high inclination group used contracts as something to fall back on as a result of contextual factors that adversely impacted on its trust. As already explained, past experiences in alliances may increase or decrease the focal organisation’s propensity to trust, depending on whether they were positive or negative. Proposition 3 stated that contextual factors such as culture, socio-economic factors, politics and government policies embedded in the setting will affect trust indirectly by influencing the relationship between social uncertainty and perceptions of trustworthiness. This proposition found support in the experiences of the group defining factor F, the inclination to trust alliances. The group reported that lack of social interaction between black and white people over the years has affected the level of trust it had on its TC partners. It is concluded that lack of interaction between black and white people over the years is a contextual factor that has adversely affected the level of trustworthiness on its TC partners, thus lending credence to past research (Fadol et al., 2013; Fan et al., 2012).

Focal organisations that perceive their partners as low in trustworthiness rely on formal contracts to guard against potential partner opportunism and ensure honest performance. Formal contracts thus co-exist with trust in alliances between TCs and HDIs. As observed in this study, for the vigilant trust alliance group defining Factor D and, to a lesser extent, the inclination to trust alliances defining Factor F, trust and formal contracts co-existed. Proposition 18 found support in these experiences. Trust and formal contracts are significant ways of managing the relationship and risk in business alliances (Malhotra & Lumineau, 2011). In line with Schoorman et al. (2007), it is also concluded that when risk is high and trust is low in an

alliance relationship, the formal contract becomes essential to bridge the difference by reducing the perceived risk to a lower level so that it can be managed by trust.

Experiences of the duped trust alliances defining Factor C and the deceitful trust alliances defining Factor E can be contrasted but both illustrate that the learning or access to knowledge and skills wished for does not follow in alliances. The duped trust alliances expressed the view that their TC partners were performing all alliance tasks and responsibilities on behalf of the alliance without affording them opportunities to learn about the business of the alliance. On the other hand, the group defining Factor E seduced HDI partners into forming alliances with them so that they could access state resources such as tenders. In essence, this group used the HDI partners as façades for black economic empowerment in post-apartheid South Africa (Emuze & Adlam, 2013; Van Scheers, 2010). Some TCs have been implicated in window-dressing with HDIs. The experiences of the two groups resonate with propositions 8 and 10, as restated below:

Proposition 8: In alliances between HDIs and TCs, prior information about the HDI partner becoming available as well as the generalised belief about the inadequacy of the business skills and capital of the HDIs, will result in HDI partners being perceived as low in ability trust.

Proposition 10: Based on issues such as fronting and window-dressing and prior information about the TC partner becoming available, TCs that approach unsuspecting and least experienced HDIs to form business alliances will be viewed with distrust and as lower in trustworthiness.

It may therefore be concluded that some TCs seduce HDIs into business alliances so that they can serve as openers of political doors for the alliance. Under such alliances, the primary role of the HDIs becomes the acquisition of contracts from government and other state-owned enterprises. This conclusion is uniquely South African in the sense that it applies to alliances which are largely the result of government suasion and legislation, and whose thrust is the economic empowerment of the previously disadvantaged.

In line with proposition 19, it is also concluded that the focal TCs or HDIs that perceive their business alliances as characterised by high or strong trust have high PA and low NA scores.

The sincerity trust alliances and the values trust alliances groups share favourable trust experiences and high PA and low NA scores, providing support for the proposition.

It is also concluded that the focal TCs or HDIs that perceived their business alliances as characterised by weak or low trust have low PA and high NA scores. This conclusion supports proposition 20 and is supported by the observations relating to the duped trust alliances group defining Factor C.

The focal TCs or HDIs that perceived their business alliances as characterised by mixed trust feelings have high PA and high NA scores. The results regarding the trust experiences and the PA and NA scores for the vigilant trust group defining Factor D lends credence to proposition 21. Undoubtedly, in the vigilant trust group defining Factor D, the positive and negative experiences about its TC partners co-exist and, consequently, it has relatively high PA and high NA scores. It is concluded that alliances characterised by mixed feelings about the trustworthiness of the partners have high PA and high NA scores.

The empirical findings regarding the association between organisational trust and affect provide an exciting opportunity to study one of the elusive aspects of organisational trust, namely, affect. However, the association between organisational trust and affect are only exploratory and may require further exploration as the association was not established conclusively.

7.1.3 Conclusions regarding the central research question

The primary purpose of the study was to unveil the experiences of individuals involved in business alliances between TCs and HDIs regarding the phenomenon of trust, with a view to developing a model that would facilitate a better understanding of trust in these alliances. It can be concluded that the central task or question that initiated the study has been sufficiently answered, as a model that takes into account the unique South African economic empowerment context has been proposed and illustrated in Figure 6.3.

7.1.4 Conclusions about the contribution to the field of Industrial and Organisational Psychology

Several general conclusions are drawn about the theoretical and empirical studies, as well as about the phenomenon of organisational trust in business alliances between TCs and HDIs.

7.1.4.1 Conclusions in terms of the theoretical study

The theoretical findings of the study contributed to the field of I-O Psychology in several respects. Firstly, the study contributed new insights to the literature on black economic empowerment by examining the concept within the context of business alliances in South Africa. Secondly, an assessment of South Africa's post-1994 black economic empowerment vis-à-vis the post-1948 epoch-making Afrikaner economic empowerment and the Malaysian economic empowerment of the Malay people contributed new insights to the literature on the economic empowerment of previously marginalised people. The elucidation of economic empowerment and black economic empowerment was essential to illuminate the context within which trust in alliances between HDIs and TCs is studied.

This study has consistently argued that business alliances are merely a different mode of organising and, by that very fact, a form of organisation. Such a line of reasoning brings to the fore the need for I-O psychology to make the study of these institutions its business. It is thereby concluded that the study has theorised about alliances as a mode of organising and the scope for I-O psychology to explore these institutions is unlimited. In general, issues of trust in alliances outside the Anglo-American sphere, and in alliances between TCs and HDIs in particular, remain uncharted terrain.

Albeit at a theoretical level, the examination of the notion of organisational trust in business alliances that are geared to black economic empowerment adds a perspective to the already existing corpus of knowledge on trust. This new perspective, together with the proposed theoretical organisational trust model, enriches the already existing corpus of knowledge in the field of trust. The study made a contribution to the body of knowledge on trust by accentuating the role of contextual issues in the study of trust and identifying the uniquely South African contextual issues.

By theoretically exploring the association of trust and affect through the review of the extant literature, the study contributed significantly to the existing organisational trust literature as well. Conclusions are also drawn about the other component of the theoretical study, namely, the interplay between organisational trust and affect. First, following the views of Andersen and Kumar (2006), the reciprocal linkage between cognition and affect was explored and presented in Figure 4.1. The link between emotions and cognition was viewed as essential to provide an explanation of the interplay between emotions and organisational trust. While the exact nature of the relationship between affect and organisational trust could not be conclusively established, it was conjectured that it is not linear. Figure 4.2 depicted the symbiosis between emotions and trust and the permeable boundaries between cognitive and affective trust realms provided further evidence of the exploration of the relationship between organisational trust and affect. This study recognises the complexity of the symbiosis and views such modelling of trust as useful in explaining an extremely complex human phenomenon. Future research should focus on the emotional processes and mechanisms that account for the development of trust, including emotional trust in business alliances and other modes of organising.

7.1.4.2 Conclusions in terms of the empirical study

The development of a Q sample enabled the sorting of items (Q-sorting process) by the 25 participants. The statistical analysis of the 25 Q sorts unveiled the participants' experiences of trust in alliances between TCs and HDIs in the South African empowerment domain. Specifically, subjecting the Q sorts to correlational analysis revealed that the participants belonging to one family were highly correlated with one another. Factor analysis showed that participants with similar trust experiences in alliances ended up on the same factor. The factor scores revealed that six clusters of people had grouped the statements in fundamentally similar and dissimilar ways, thus showing how the participants shared similar and dissimilar experiences (Ray, 2011). Therefore, factor analysis revealed the six different families (factors) that existed; these were purely empirical and dependent on the participants' Q sorting. In other words, the factors revealed in broad terms the thinking of the participants, with a particular experience or perception manifesting in the six factors. The six factors were not determined *a priori* but were first found and labelled *a posteriori*. One may conclude that the emergence of the six factors personifies the trust experiences of the individual participants involved in alliances between TCs and HDIs.

It has been noted that at a global level, much has been written about organisational trust in business alliances (Lok, Rhodes, & Walters, 2011; Zhang, 2011). However, this study has responded to the clarion call made by Schoorman et al. (2007) to study organisational trust under different contexts. The role of trust in organisational settings and the trust relationships between for example, management and employees have been explored in the South African context (Martins & Von der Ohe, 2011; Van der Berg & Martins, 2013). Contextual factors remain influential in determining the trust relationships. For example, Martins and Von der Ohe (2011) noted the sustained trust levels which were attributed to the positive economic climate.

However, the existence of the trust gap between employees and top management has been identified and should be narrowed as lack of trust or distrust is the enemy of productivity and competitiveness (Martins & Von der Ohe, 2011; Van der Berg & Martins, 2013). But the contextual factors that may impact on trust are varied in the South Africa setting and may include cultural differences between TCs and HDIs, the broader socio-economic context such as the history of social relations between blacks and whites, government economic policies aimed at empowering the previously disadvantaged segments of society and the asymmetrical distribution of resources, including skills and economic resources, between various segments of society. It is therefore not possible to understate the complexity of trust in business alliances between HDIs and TCs given South Africa's history of social and race relations. However, the paucity of organisational trust research on alliances between TCs and HDIs in the South African context persists as there has not been published research on trust in these alliances. This complexity is exacerbated by the chronicled marginal performance of black economic empowerment initiatives, flagrant cronyism and fronting. This study has supported the view that these issues impact on the trustworthiness of partnerships between black and white businesses and pose formidable challenges to these alliances (Hart & Padayachee, 2013; Ponte, Roberts, & Van Sittert, 2007; Tangri & Southall, 2008). Trust is a crucial factor in sound inter-organisational relationships and it has a profound impact on alliance performance and goals (Caple, 2012; Şengün & Wasti, 2011).

It is concluded that by presenting an empirical model the study illuminated the trust relationships between TCs and HDIs so that the understanding of the complexity of the relationships served as a launching pad for closing the trust gap between these alliances. The study made significant contributions to the corpus of knowledge on organisational trust by revealing aspects of the phenomenon of organisational trust that may not exist in other contexts. In a sense the study

closed the trust gap between TCs and HDIs by identifying the issues that impacted on trust and needed to be attended to.

Each of the six clusters of people had grouped the items in similar ways revealing six trust experiences. The association between the trust experiences and affect was explored and the following conclusions can be made:

Groups that shared positive trust experiences tended to have higher PA and lower NA scores.

Groups that shared negative trust experiences shared lower PA and higher NA scores.

The stronger the positive and negative trust co-experienced by any group, the greater the chances of the higher PA and NA scores co-occurring.

In situations in which positive and negative trust are co-experienced, the magnitude of either will influence the relative size of the co-occurring PA and NA scores so that, if positive experiences outweigh negative experiences, the PA score will be higher relative to the NA score.

In situations in which positive and negative trust are co-experienced, the magnitude of either will influence the relative size of the co-occurring PA and NA scores so that, if negative experiences outweigh positive experiences, the NA score will be higher relative to the PA score.

The central task of unveiling the experiences of participants of business alliances between TCs and HDIs on the phenomenon of trust, with a view to developing a model that would facilitate a better understanding of trust in these institutions, has been accomplished, as is evidenced by the proposed harmonised model that is illustrated in Figure 6.3. The intricate challenges to developing a trust model of business alliances in an empowerment domain required one to take into account a host of factors to ensure contextual relevance. Future research should use appropriate research designs to investigate the validity of the model or the generalisability of the findings to bigger populations.

7.1.4.3 Conclusions in terms of organisational trust practices in alliances between TCs and HDIs

In the context of this study, business alliances are viewed largely as a conduit for black economic empowerment. For business alliances between HDIs and TCs to serve as an

effective conduit for black economic empowerment, they need trust. However, trust in business alliances between TCs and HDIs has been emasculated by reports of the former using the latter as fronts and window-dressing, mobile black executives, rent-a-black, “ghost” or “freelance” black directors and managers, in a bid to procure or acquire contracts from government and other state-owned enterprises (Beall et al., 2005; Iheduru, 2004; Van Scheers, 2010). For the HDI group defining Factor C or the duped trust alliance, lack of trust manifested in the perception that the TC partners were using it to source contracts from government and other state-owned enterprises. This was tantamount to being used as a façade for black economic empowerment because the focal HDI group’s desired role, which transcended the sourcing of contracts, was thwarted by the TC partners performing most or all the work on behalf of the alliance. The HDI group defining Factor C believed that the TC partners did all the work on behalf of the alliance because they did not want it to acquire the business skills and knowledge essential for the group’s authentic economic empowerment.

The effectiveness of business alliances between TCs and HDIs hinges on the alliance partners or their representatives connecting and engaging with each other and centring the goals of the alliance. However, trust is essential for keeping the alliance partners working together harmoniously. The results of the study reveal that the focal organisations’ perceptions that the trustee organisations are experienced as trustworthy are significant.

Trust-building initiatives are required to foster trust in alliances between TCs and HDIs. The parties to these alliances need to be shown that the trustworthiness characteristics of the trustee in the alliance are vital for trust-building. The existence of positive trust experiences may result in positive affectivity which is essential for high energy, full concentration, pleasurable engagement and being actively involved with the business of the alliance. In other words, positive experiences in the alliance should be encouraged because they are associated with positive affectivity and performance.

7.1.4.4 Conclusions in terms of propositions

The following conclusions were drawn in terms of the propositions propounded about the phenomenon of organisational trust in business alliances between TCs and HDIs:

Proposition 1: When HDIs and TCs form business alliances, such alliances will initially be characterised by the focal organisation's high social uncertainty which will negatively affect its perceptions of the partner organisation's trustworthiness and impede it from working towards alliance goals.

Social uncertainty stems from a lack of information about the partnering organisation and may impede co-operation between the partners as they feel that they are not able to trust each other to work for the interests of the alliance (McCarter et al., 2011). When HDIs and TCs formed business alliances they sometimes did so with little or no information about their partners. It is concluded that the experiences of the group defining Factor B regarding information about its partner organisations provided evidence that high social uncertainty affected perceptions of partner trustworthiness. Only the experiences gained through interaction over time made the focal group positive about the future behaviour of its alliance partners. This finding is in line with what has been reported in the extant literature on trust (Krishnan et al., 2006; McCarter et al., 2011).

Proposition 2: In alliances between HDIs and TCs, the trustor or focal organisation's social uncertainty will decrease as the trustor or focal organisation undergoes positive experiences with the partner organisation and perceives the trustee to be trustworthy. This will minimise the focal organisation's perceptions of its vulnerability and may increase its willingness to take risk.

The group defining Factor E had positive experiences with its HDI partners. It was found that the group's positive experiences with the partner organisation increased its perceptions that the partners were trustworthy. In line with extant research, this minimised the focal organisation's perceptions of its vulnerability and increased its willingness to take risk (McCarter et al., 2011).

Proposition 3: Contextual factors such as culture, socio-economic factors, politics and government policies embedded in the setting will affect trust indirectly by influencing the relationship between social uncertainty and perceptions of trustworthiness.

The group defining Factor F (inclination to trust alliance) reported that the lack of interaction between black and white people over the years had adversely affected its level of trust on its TC partners.

Proposition 4: Cultural differences between blacks and whites will account for the differences in propensity to trust between the two groups such that high propensity to trust will have a positive effect on the focal organisation's trust in the partnering organisation.

However, there was no evidence in support or to refute proposition 4. However, future research can develop measures of propensity to trust to determine if racial affiliation has any effect on one's propensity to trust.

Proposition 5: In alliances between HDIs and TCs, the salient cultural differences will influence the focal organisation's perceptions that the trustee organisation is trustworthy prior to information about the trustee becoming available.

Although cross-cultural studies have provided broad generalisations with regard to the cultural orientations of different societies and their possible impact on trust (Das & Kumar, 2011; Fadol & Sandhu, 2013 Hofstede et al., 2010), there was no evidence from the empirical data to support proposition 5. However, the extant literature has demonstrated fundamental ways in which culture may affect trust through the antecedents of trust or elements of trustworthiness (Tan & Lim, 2009).

Proposition 6: The focal TCs or HDIs that experience their partners as trustworthy will perceive trust to be a foundation of their business alliances.

Proposition 7: Focal HDIs will form business alliances with TC counterparts perceived to be more resourced and more experienced with the primary purpose of accessing the TC partner's business knowledge so that they can be empowered in terms of business skills and knowledge.

The strong perceptions of integrity expressed by the groups defining Factor A and Factor B regarding the ability, integrity, benevolence and reliability of the partners provided credence to propositions 6 and 7. Also, the perceived lack of ability, integrity and reliability expressed by the groups defining Factor C, Factor D and Factor E implied lack of trustworthiness.

Proposition 8: In alliances between HDIs and TCs, prior information about the HDI partner becoming available as well as the generalised belief about the inadequacy of the business skills and capital of the HDIs, will result in HDI partners being perceived as low in ability trust.

The findings partially supported proposition 8, specifically, they provided credence to the notion that HDIs are not well-resourced in terms of business knowledge and skills and therefore are perceived as low in ability trust.

Proposition 9: The focal HDI or TC organisations that are high in propensity to trust will demonstrate stronger trust in the HDI or TC partners than may otherwise have been the case.

The group defining Factor F was distinguished from the other groups by its very high propensity to trust, anchored in both its tendency to give others the benefit of the doubt when meeting them for the first time and its strong belief that others could be counted on to do what they promised. Proposition 9 found support in the group defining Factor F with its high propensity to trust.

Proposition 10: Based on issues such as fronting and window-dressing and prior information about the TC partner becoming available, TCs that approach unsuspecting and least experienced HDIs to form business alliances will be viewed with distrust and as lower in trustworthiness.

The HDI group defining Factor C suggested that its TC partners were using it as a façade for black economic empowerment because they were not willing to provide it with an opportunity to learn about the business of the alliance. Similarly, the TC group defining Factor E deliberately used HDIs to open political doors for it. It can be inferred from the findings relating to the two groups' experiences that HDIs were being used as a token for black economic empowerment. The findings relating to the two groups partially supported proposition 10.

The focal HDI groups experienced the TC partners as low in reliability and integrity. The literature on economic empowerment partially supports proposition 10 as many TCs have proven to be untrustworthy (Butler, 2011; Du Toit, Kruger, & Ponte, 2008; Van Scheers, 2010). However, the findings revealed that it was not possible to generalise a lack of trustworthiness to all TCs in alliances with HDIs. The groups defining Factor A (a predominantly black or HDI group) and Factor B experienced their partner organisations as devoid of dishonesty and deceit.

Proposition 11: Relational small wins will influence the relationship between social uncertainty and perceptions of trustworthiness.

Proposition 13: In alliances between HDIs and TCs, the latter will prefer relational small wins in anticipation of a lack performance owing to a perceived lack of ability or competence on the side of the former.

Proposition 14: The outcomes of the relational small wins will influence the focal TC or HDI organisation's perceptions of risk and whether willingness to take risk translates into risk-taking such that positive relational outcomes will result in risk-taking act(s) on the part of the trustor.

Proposition 15: Positive outcomes from the risk-taking behaviour will decrease the focal or trustor organisation's feelings and perceptions of vulnerability and result in a willingness to make larger investments in the alliance.

Proposition 18: In alliances between TCs and HDIs, the focal organisation will use formal contracts and relational small wins if it perceives risk with the partner organisation to be high.

The relational small wins resulted in advantages for the focal party as they clarified the previously obscure characteristics of the trustee and resulted in larger gains being made by the group defining Factor E. The findings regarding the efficacy of relational small wins find support in the extant literature (Rog, 2015; Van Lange, Joireman, Parks, & Van Dijk, 2013). Thus, relational small wins influenced the association between social uncertainty and perceptions of trustworthiness by revealing that the trustee organisation is trustworthy. The efficacy of relational small wins is supported in the relevant literature (Bérard & Perez, 2014; Rog, 2015; Van Lange et al., 2013).

Proposition 12: In alliances between HDIs and TCs, as a result of the practice of window-dressing on the part of some TCs, the focal HDIs will use relational small wins in anticipation of unscrupulous or untrustworthy behaviour by the latter.

The HDIs did not use relational small wins in anticipation of TCs opportunistic behaviour. This is in spite of the high profile publicity of issues of window-dressing (Patel & Graham, 2012; Tyson, 2011; Van Scheers, 2010). However, it is surmised from the experiences of the duped trust alliances defining Factor C that this focal group did not have an effective way of responding to what it perceived as the lack of trustworthiness of its TC partners. Therefore there was no support for proposition 12.

Proposition 16: Negative outcomes from the risk-taking behaviour will result in perceptions of increased vulnerability on the part of the focal or trustor organisation which will strain the relationship and may result in the alliance being discontinued.

The experiences of the group defining Factor C had the potential to strain the alliance relationship. If the HDI partner resolved “not to allow window-dressing”, the alliance relationship may become strained and result in the dissolution of the alliance. It is concluded that proposition 16 found some support in the experiences of the duped trust alliances group defining Factor C.

Proposition 19: The focal TCs or HDIs that perceive their business alliances as characterised by high or strong trust will demonstrate high PA and low NA scores.

Given the high positive trust experiences and the relatively high PA and low NA scores for the groups defining Factor A and Factor B, the experiences of the two groups are similar and tentatively supported proposition 19.

Proposition 20: The focal TCs or HDIs that perceive their business alliances as characterised by weak or low trust will demonstrate low PA and high NA scores.

The group defining Factor C, the duped trust alliances revealed low and negative trust experiences from its TC partners and the relatively low PA and high NA scores tentatively supporting proposition 20.

Proposition 21: The focal TCs or HDIs that perceive their business alliances as characterised by mixed trust feelings will demonstrate high PA and high NA scores. However, higher PA score relative to NA score indicates that the pleasant outweigh the unpleasant. Similarly, the higher NA score relative to the PA score indicates that the unpleasant outweigh the pleasant.

The group defining Factor D, the vigilant trust alliances revealed mixed trust experiences from its TC partners and the relatively high PA and NA scores, thus providing tentative support proposition 21.

7.2 LIMITATIONS OF THE STUDY

The theoretical and empirical limitations of the study are reported below:

7.2.1 Theoretical limitations

The dearth of extant literature or research that examines organisational trust in business alliances in an economic empowerment context has been one of the biggest challenges of the theoretical study. This challenge, together with the paucity of extant literature on the interplay between organisational trust and affect, made it difficult to relate the proposed model to previous studies in the field. In presenting the proposed model, the discussion was largely based on organisational trust literature in the Anglo-American sphere of intellectual influence and may have lacked some resemblance to the South African setting. In a way, this made it difficult to develop more viable propositions, as the scarcity of relevant theory made it difficult to illuminate the issues.

An attempt was made to review the wider extant literature on organisational trust for the purposes of developing a theoretical model. However, it is clear that the researcher was highly influenced by the models of trust developed by Mayer et al. (1995) and Mishra (1996). Most of the elements of the proposed theoretical model derive from their models.

7.2.2 Empirical limitations

One of the inevitable limitations embedded in the study is the non-probability and non-random snowball sampling design used. Purposive snowball sampling enables current participants to assist the researcher to recruit from among their acquaintances others for possible participation in the study (Guest et al., 2006). The limitation of this sampling design rests in the possible bias that may contaminate the P set. It is plausible that in helping to identify potential respondents, the participants may have referred the researcher to those individuals who thought alike and thus perpetuated a specific perspective. However, the emergence of six factors attests to the existence of a diversity of views among the participants. It may be concluded that the inadequacies of the sampling design are not fatal, as the P set comprised diverse persons who were theoretically relevant to the issue under investigation rather than persons randomly selected (Barker, 2008).

In no way does the preceding imply an apologetic response to the scathing criticisms often levelled against qualitative research studies. Qualitative research is no less a scientific methodology than any other mode of enquiry aimed at expanding humanity's horizons. It needs to be reiterated that the issue is not the small P set, as Q methodology is biased toward a small number of participants because of its intensive orientation (McKeown & Thomas, 1988). This issue is closely intertwined with the generalisability of the results. As already pointed out, in Q methodology the focus is not on the number of people that hold a particular point of view but on how and why people believe the way they do (McKeown, 1990; Stergiou & Airey, 2010; Wright, 2013; Yeung et al., 2014). The point is that the generalisation of the results was never an objective of this Q methodological study or of Q methodology in general. The goal was never to apply or validate the model or the results to the broader population but rather to develop a working hypothesis. In future, other researchers may examine the unveiled experiences or test the proposed models through appropriate research designs to investigate their prevalence or the generalisability of the findings to bigger populations (Amin, 2000).

This research focused on the perceptions of 25 individuals who participated in different business alliances. This may serve as a limitation of the study in the sense that the focus was not on specific business alliances. Future research may address this limitation by selecting participants in specific business alliances so that the focus is on trust within those alliances. This will make the business alliances the unit of analysis but the data would be gathered from individual participants in those alliances. It is hoped that business alliances that are matched would shed more light on trust in different types of alliances.

Another empirical limitation suspected may be the fact that the study was designed around the model of Mayer et al. (1995) and in a way its overreliance on it. Many studies in the extant literature on organisational trust have borrowed and examined the model propounded by Mayer et al. (1995). To rely on this model is neither to have a parochial outlook of organisational trust nor to be oblivious to developments in the field. Whilst this is the case, McAllister's (1995) categorisation into emotional and cognitive and the notions of social uncertainty and relational small wins (McCarter et al., 2011; Weick, 1984) have been integrated into the proposed theoretical and harmonised models.

One of the limitations of this study is that the examination of organisational trust in business alliances between black and white organisations in the South African black economic

empowerment domain denotes the study's focus on three subjects or fields, namely, organisational trust, business alliances and black economic empowerment. The exploration of the role of affect in these institutions compounds the situation. Black economic empowerment is a generally sparsely studied construct that lacks rigorous conceptual grounding besides its managerialist notions which are epitomised by empowerment targets and quotas. In the context of this study, much of it borrows from the economic development and psychological empowerment literature. Besides, business alliances between TCs and HDIs are primarily the result of government suasion and legislative initiatives. The fields of business alliances and organisational trust are well-developed and matured areas of study, as evidenced by the huge corpus of knowledge that spans decades and includes trust in business alliances. However, the paucity of research on business alliances between TCs and HDIs is noticeable. Combining the four areas of study in the South African context has proven to be a mammoth challenge.

The preceding challenges or limitations do not negate or nullify the conclusions that can be drawn from the study. If anything, they point to opportunities for involvement for I-O psychologists and practitioners of organisational trust, business alliances and black economic empowerment.

7.3 ETHICAL CONSIDERATIONS

Efforts were made to adhere to the ethical principles that guide research and the administration of the instruments involved. The ethical rules and procedures regarding research were observed throughout the research process. The researcher was issued with the University's ethical clearance authorising the research.

First, the following tenets of qualitative research are significant to ensure quality data:

Qualitative research relies on the transferability of the findings to the broader population. However, transferability does not imply generalisation of the findings to the broader population (Stergiou et al., 2010). The aim of rich description of the South African black economic empowerment context of the study was to enhance the contextual applicability of the findings. Contextual applicability required that rich and detailed descriptions of the context were provided to enable the readers to exercise sufficient judgement about the transfer of outcomes. In view of the fact that qualitative and constructivist research results in multiple realities that may compete

with each other, the issue of applicability is contentious (Stergiou et al., 2010). However, applicability to the situation in which the research is grounded has been accepted on condition that rich, detailed pictures of the context are provided.

In the main, confirmability limits researcher bias by means of connecting the results of the study to raw data (Clisset, 2008; Petty et al., 2012). In this study theory only partly guided the development of the concourse and the way in which the Q set was structured. In addition, theory did not influence how the individuals reacted to the initial phenomenological interview question and how they sorted the statements. Confirmability makes it possible to trace the findings to the raw data, thus ensuring that the research results do not represent the researcher's own assumptions, biases or worldview (Petty et al., 2012). The choice of Q methodology and the implied quantitative methods enhanced the confirmability of the results of this study as the factors that emerged from the study were linked to specific statements that distinguished the factors (Watts & Stenner, 2005; Brown, 1980). The factors emerged naturally and were not forced or constrained by theory to appear.

Dependability is ensured by use of an inquiry audit and the external auditor examining the research process (Petty et al., 2012). The researcher worked with the promotor as the external auditor as per the policies of the University. The researcher submitted the draft chapters and the complete manuscript to the promotor. In this study there was a definite audit trail while the researcher kept a research journal.

The integrity of the study was ensured by securing the data (Stergiou et al., 2010). All the hard, non-electronic data, including interviews and transcripts, completed Q sorts and post-sorting interviews and the PANAS scale data were kept in a safe place that could be accessed only by the researcher. The researcher also kept soft copies of the transcripts safely on his computer protected with a password and in his data mass storage devices. In so doing the integrity of the data was secured.

The more specific ethical issues which were observed included the following:

Confidentiality: Confidentiality was observed when the researcher ensured that the information about the participants was protected and kept away from others. The participants were informed in advance of their right to confidentiality when the researcher solicited their participation in the

study. The information was included in the information sheet. After agreeing to participate in the study the participants were again assured of the right to confidentiality in the consent letter and the consent form.

Anonymity: The participants were assured of anonymity which meant that their identity would not be revealed to others and no information in the reporting of the research results could be traced back to the individual participants. The participants were also assured that the research information contained in the thesis and subsequent academic journal articles would not in any way reveal their identity. Information regarding the anonymity of the participants was also contained in the information sheet, the consent letter and form.

Voluntary participation: The participants were also informed that their participation in the study was purely voluntary, implying that they had the right to decline participation or to withdraw their participation at any time even though they signed the consent form.

7.4 RECOMMENDATIONS

The findings of the study, the conclusions drawn from the findings and the limitations presented have informed the following recommendations of the study:

7.4.1 Recommendations regarding I-O psychology practices on trust

Research has revealed that organisations that report lower levels of inter-organisational trust tend to report significantly lower levels of performance (Stanley & McDowell, 2013). In addition, a myriad of organisational outcomes such as knowledge sharing and cost reduction are associated with trust (Das & Kumar, 2011; Nielsen, 2011; Zhang & Chen, 2015). The effectiveness of business alliances requires partner representatives who are connected and engaged with each other and the goals of the alliance (Robson et al., 2008). However, complex “glue”, referred to as trust, is required to keep the alliance representatives working together harmoniously (Hoffman & Schlosser, 2001; Lok et al., 2011; Tähtinen & Blois, 2012; Zhang, 2011). Some degree of trust between the parties to the alliance is essential for any business transaction to take place (Hardwick et al., 2013; Sklavounos & Hajidimitriou, 2011). Trust is even more significant in business alliances where business transactions happen across

organisational boundaries and the monitoring of opportunistic behaviour is more difficult (Das & Kumar, 2011; Dowell et al., 2013; Sklavounos & Hajidimitriou, 2011).

Given the preceding findings from the extant literature and those emanating from this study, it is recommended that more specific interventions be developed to address issues of trust in alliances between TCs and HDIs. The central issue that formed the heart of this study remains unveiling the experiences of individuals involved in business alliances between TCs and HDIs with regard to the phenomenon of trust, with a view to developing a model that would facilitate a better understanding of trust in these institutions. Such a model has been developed and presented.

While this study presented an organisational trust model based on the experiences of the participants in business alliances between TCs and HDIs in South Africa, one should hasten to concede that trust in these institutions is inadequately researched at both the theoretical and the empirical levels. However, for practitioners the results of the study provide some signposts regarding trust in business alliances between TCs and HDIs in South Africa's economic empowerment context. In a way, the study has identified pointers to some of the issues that continue to emasculate trust in business alliances between TCs and HDIs in South Africa and account for mistrust and distrust between these institutions. It would be prudent for I-O psychologists, managers and others interested in black economic empowerment and the functioning of alliances between TCs and HDIs to pay attention to the pointers identified in this study. For example, the study identified focal groups which were characterised by high trust and contentment with their partner organisations and those typified by low trust and disgruntlement with their partners.

Although only speculative, the results of the study revealed some association between organisational trust and satisfaction with the partner and the alliance, as well as between organisational trust and affect. Therefore, organisational trust should preoccupy I-O psychologists, managers and others interested in facilitating the functioning of alliances between TCs and HDIs.

The hypothesised association between organisational trust and moods should be of interest to I-O psychologists and managers in alliances between TCs and HDIs. If anything, the conjectured association of low trust and high NA may require practitioners to monitor affective reactions to gain a feel for the trust pulse of the alliance.

To bring about and enhance trust, the establishment and management of business alliances between TCs and HDIs requires transparent practices geared to a more equitable sharing of resources in line with the expectations that initiated the alliance. This requires open and genuine discussions about the parties' expectations of the alliance. The more specific and unequivocal the parties' expectations at the inception of the alliance and the continuous update of such will enhance trust in alliances between TCs and HDIs. Whatever the mechanisms employed to enhance transparency and the equitable distribution of resources that accrue to the alliance, they will go a long way in improving trust in alliances between HDIs and TCs.

As a discipline and practice that is concerned with the human side of the organisation, I-O Psychology plays a vital role in enhancing the performance of people who conceive, develop and maintain business alliances as explained earlier. The discipline and practice of Organisational Psychology is best positioned to contend with the challenges that stem from a multiplicity of co-ordination problems, such as inconsistent organisational structures, different parental control systems and dissimilar work procedures. Research in the functioning of alliances has revealed that trust eases the complexities by strengthening relations within the social network among partner representatives (Robson et al., 2012).

Prior to 1994, South Africa was a citadel of racial separation and white superiority and domination. Whites were placed at the apex of the social strata with Africans at the bottom of the heap. The apartheid policies of separate development created distrust and mistrust amongst these social groups. I-O Psychology is a discipline concerned with the human side of the organisation and is superlatively positioned to facilitate interventions that can circumvent the distrust and mistrust between blacks and whites that has developed over the years. As Schreuder and Coetzee (2010) observe, I-O Psychology and its research areas have developed to the point where they are geared to addressing the changing needs of societies and organisations so as to generate knowledge that ensures competitiveness in globally and nationally changing contexts. Despite weaknesses in its espoused and implemented policy of black economic empowerment, as manifesting in alliances between TCs and HDIs, the policy

reflects the societal need for intervention that should be spearheaded by I-O psychologists. Implementing interventions that entail a radical break with the past and embracing a national vision for an inclusive society and economy can best be commanded by those who understand and whose specialty is facilitating organisational effectiveness in a broader sense (Johnson & Cassell, 2001; Schreuder & Coetzee, 2010).

The more specific recommendations flowing from the findings of the study are presented in Table 7.1.

Table 7.1: *Summary of the key findings and recommendations to improve trust practices*

Trust Components	Trust Experiences with Partners	PANAS	Recommendations
Factor A: Sincerity trust alliances Integrity Integrity Benevolence Contextual factors	Predominantly HDI group High partner integrity trust anchored in honest behaviour High integrity anchored in the honest partner advice High benevolence trust anchored in partners that do not work against the group's interests Trust business partners from a different racial background	High PA and low NA	It is suspected that dysfunctional alliances are largely due to lack of appreciation for the historical injustices and commitment to South Africa's aspirations on opening up the mainstream economy. South African business needs a social pact that will commit to these issues and enhance trust in these alliances. Established TCs should seek HDIs with an interest in and willingness to learn. To select a business partner purely because he or she is black smacks of fronting.
Factor B: Values trust alliances Reliability Integrity Trust and contracts	Mixed group High reliability trust anchored in partners' keeping of promises High partner integrity trust anchored in shared values Trust and not formal contracts are the foundation of our alliance		Contracts are an integral part of alliances between TCs and HDIs. It is therefore recommended that to enhance trust in alliances between TCs and HDIs, restraint of trade contracts be used so that the party to the contract cannot be a competitor within a stipulated period of time.

Trust Components	Trust Experiences with Partners	PANAS	Recommendations
Factor C: Duped trust alliances Reliability Ability Trust and economic empowerment Trust and economic empowerment	HDI group Low reliability anchored in partners who do not keep promises High ability trust anchored in TC partners' knowledge about the alliance industry Our TC partners do all the work on behalf of the alliance because they do not want us to gain business expertise Our TC partners initiated an alliance with us	Low PA and high NA	<p>This will foster a more sincere relationship that enables trust to develop in the knowledge that the partner will not act opportunistically.</p> <p>Because most of the characteristics of the trustee or the elements of trustworthiness can only be assessed when the alliance is in existence, it is crucial that in time and as the alliance continues to exist, stock should be taken and appropriate measures should be implemented such as advising the parties on making the alliance work for both. It is recommended that trust in alliances be monitored.</p> <p>Warning systems should be developed to monitor progress or degeneration in trust. For example, the association between trust and affect tends to suggest that the pulse of feelings associated with trust in the alliance may serve as an important monitoring mechanism for the development of trust. This practice is essential for enhancing trust.</p>

Trust Components	Trust Experiences with Partners	PANAS	Recommendations
Factor D: Vigilant trust alliances Integrity Reliability Trust and contracts Trust and contracts	HDI group Low integrity trust anchored in dishonest behaviour towards the focal party Low partner reliability trust anchored in lack of consistency between words and actions We rely on written contracts to ensure that our TC partners perform honestly We rely on formal contracts to safeguard against potential TC partners' opportunism	High PA and high NA	It is recommended that the notion of small wins be implemented to develop and enhance trust in alliances between TCs and HDIs. This will allow the parties to the alliance to start with small investments to establish the trustworthiness of their partners. Whilst trust is something that is not readily taught, but experienced and felt, it may help managers and others interested to be trained in seminars and workshops that facilitate equitable and transparent alliance policies and practices. Transparency and ethical behaviour should be the essential ingredients of such training programmes. Alliances between TCs and HDI can only benefit from enhanced trust.

Trust Components	Trust Experiences with Partners	PANAS	Recommendations
Factor E: Deceitful trust alliances Ability Ability Trust and economic empowerment Trust and economic empowerment Trust and economic empowerment Social uncertainty Social uncertainty Relational small wins	<p>TC group Low ability trust anchored in HDI partners' lack of knowledge about alliance industry</p> <p>Low ability anchored in HDI partners lack of knowledge which will enable them to make decisions on behalf of the alliance</p> <p>We formed an alliance with our HDI partners so that they could open political doors for us</p> <p>Our HDI partners acquire contracts from government and other state-owned enterprises on behalf of the alliance</p> <p>Our HDI partners did not choose us as an alliance partner</p> <p>We safeguard our interests at the expense of the alliance</p> <p>Our HDI partners cooperate with us on matters pertaining to the alliance</p> <p>The alliance achievements we experienced encouraged us to make larger investment in the alliance.</p>	High PA and high NA	<p>Propensity to trust is essential as it affects perceptions of trustworthiness as well as trust itself. It is therefore essential that psychologists and managers develop appropriate measures that help to determine the TC and HDI alliance participants' propensity to trust prior to and during the alliance. This may reveal important information necessary for enhancing of trust.</p> <p>It takes time for trust to develop. A concerted effort should be made to build trust in the early stages of the alliance. Shared values are fundamental to trust. To enhance trust between the partners, interaction should happen more often during the initial stages which will reveal the similarities and differences in values.</p>

Trust Components	Trust Experiences with Partners	PANAS	Recommendations
Factor F: Inclination to trust alliances Propensity to trust	HDI group Propensity to trust anchored in the focal group's inclination to give people the benefit of the doubt when it first meets them	High PA and high NA	
Propensity to trust	Propensity to trust anchored in the focal group's feeling that others can be counted on to do what they promised		
Contextual factor	We feel that lack of social interaction between black and white people over the years has affected the level of trust we have on our TC partners		

7.4.2 Recommendations for future research

The findings of the study intimate the need for further research that explores trust in alliances between TCs and HDIs in the South African economic empowerment context. Beginning with the theoretical component of the study, several propositions were posited when the proposed theoretical model was presented. The propositions have some significant ramifications for future research as they represent potential or future research areas. Overall, twenty-one propositions were posited. With carefully considered and appropriate research designs, the propositions represent fertile future research areas. The factors that emerged and the concomitant items may also be operationalised in a valid and reliable scale for future research purposes and in relation to PANAS (Watson et al., 1988) as well.

The development of propositions was not limited to the theoretical component of the study. The exploration of the association between organisational trust and affect culminated in additional three propositions that may be considered as hypotheses for future research.

The six factors unveiled and the theoretical and harmonised models proposed represent crucial results of the study. Accordingly, the results give a picture of how and why those who

participated in alliances between TCs and HDIs trusted the way they did. This is because the focus was never on the number of people that held a particular point of view regarding trust in alliances between TCs and HDIs. Therefore, generalisation of the results was never an objective of this Q methodological study, nor was the objective of this study to apply or validate the model or results to the broader population; rather, the study was geared to developing a working hypothesis. It is therefore recommended that future research could examine the unveiled experiences or test the proposed models using appropriate research designs to investigate their prevalence or the generalisability of the findings to bigger populations.

Future research may also focus on the association between organisational trust and affect among business alliances between TCs and HDIs in South Africa. However, such studies could be preceded by research that seeks to develop more contextualised measures of organisational trust between TCs and HDIs, measures of affect, operationalised measures of focal organisations' satisfaction with the alliance and the development of qualitative and quantitative measures of alliance performance. Such research initiatives spearheaded by I-O psychologists and other organisational trust scholars may make major contributions to one of the uncharted research terrains.

Because the study was not delimited to a specific industry, it is recommended that further studies could focus on trust in alliances between TCs and HDIs in more specific or defined industries. Trust between TCs and HDIs may be influenced or moulded by dynamics within specific industries.

7.5 EVALUATION OF THE RESEARCH

This research has endeavoured to contribute to the field of I-O Psychology on three identifiable levels, namely, the theoretical, the empirical and the practical levels.

7.5.1 Theoretical contributions

The significance of the theoretical study is that it provided new insights into organisational trust in general and in alliances between TCs and HDIs in particular. The extant literature revealed several elements of organisational trust. These elements were integrated into a proposed theoretical organisational trust model. In so doing, the study amplified the significance of the

broader context within which trust is studied. For example, superficially, the South African democratic state has the power to implement economic empowerment policies that aim at redressing past injustices through alliances between TCs and HDIs. However, business can individually and collectively still flex its muscle and influence the form and shape that such empowerment vehicles take. Sometimes organisational trust becomes the first casualty and consequently impedes the desired effectiveness of these alliances.

Because these institutions are also perceived as vehicles or conduits for black economic empowerment, HDIs that participate in these alliances should ultimately find meaning in economic activity they pursue, which challenges their capability to perform relevant tasks skilfully with a substantial degree of autonomy such that they feel that they can influence the economic outcomes of their activity. I-O psychologists are ideally placed to assist alliances between HDIs and TCs in anticipating the contextual influences and helping these institutions to cultivate the trust essential for effectiveness.

The insights deriving from the theoretical study can be used to develop organisational trust interventions aimed at dealing with the distrust and mistrust and facilitating the development of trust in alliances between TCs and HDIs. This recommendation is of vital importance in the South African economic empowerment milieu which is generally perceived to be typified by window-dressing, low trust and disgruntlement.

7.5.2 Empirical contributions

Empirically, the research has contributed to the field by developing a model that will enhance the understanding of organisational trust in business alliances between TCs and HDIs in the South African economic empowerment context. Such a model is a novel contribution to the study of organisational trust in alliances in an empowerment setting or between TCs and HDIs. In this way, the study makes a valuable knowledge contribution to the field of organisational trust and adds insights to the functioning of alliances between TCs and HDIs. The paucity of studies on organisational trust in alliances between TCs and HDIs has been explicated elsewhere in this study.

The study also lends credence to the significance of organisational trust in alliances between TCs and HDIs in South Africa's economic empowerment domain. First, the research refutes the

generally held assumptions and beliefs that typify alliances between TCs and HDIs as a façade for black economic empowerment. Clearly, the empirical results revealed that trust is an essential ingredient for effectiveness of these alliances. Specifically, the HDI group with negative partner experiences felt disempowered and shared strong perceptions of low trust with regard to its TC partners. This group felt that the TC partners were using it as a façade for black economic empowerment as no authentic empowerment was occurring. The study also revealed the existence of a TC group that used HDI partners as a façade for black economic empowerment. The HDI partners were perceived by the focal TC group as important mainly for acquiring business contracts from government and other state-owned enterprises on behalf of the alliance. The HDI partners could also not be trusted or empowered by the focal TC group to neutralise future competition. Those alliances that expressed positive partner experiences reported strong trust perceptions.

Although only exploratory, the study further shows the association between positive perceptions of partner trust and high PA and low NA scores on the PANAS (Watson et al., 1988). Perceptions of lack of trust were also associated with low PA and high NA scores in the PANAS (Watson et al., 1988). The significance of this association lies in the fact that high PA implies a state of high energy and concentration accompanied by pleasurable engagement in the business of the alliance. Low PA implies a lack of these attributes. The post-Q sorting data provide some evidence, albeit speculative, for the hypothesised association. Those alliances with unpleasant partner experiences were characterised by low trust and relatively high NA scores which may unmask anger, irritation and discontent with the alliances. The findings are important as they may demonstrate the conjectured emotional or affective reactions to experiences of trust in these alliances. The hypothesised findings on the association could be a revelation that practitioners may have to monitor the affective reactions to have a feel of the trust pulse of the alliance.

7.5.3 Practical contributions

From the proposed theoretical model of organisational trust and the proposed empirical harmonised model, a deeper understanding of the elements of organisational trust was developed. Also from the two proposed models, a more insightful understanding of trust was developed in alliances between TCs and HDIs in South Africa. This understanding may be vital for enhanced trust and effectiveness in these alliances.

Awareness of contextual issues may enable an assessment and consideration of trust issues germane to alliances between TCs and HDIs in the South African black economic empowerment landscape. The suspected or hypothesised high energy and pleasurable engagement in the activities of the alliance may serve as a signpost for the life of the alliance.

As a practice, I-O Psychology stands to benefit from the enhanced trust that is likely to result from cooperation in alliances between TCs and HDIs. One of the fundamental reasons why organisations form business alliances has been identified as their desire to learn. The empirical data revealed that the need to learn predominates in some HDIs. Some HDIs acknowledged that TCs are well resourced in terms of skills and resources but are unreliable (undependable) and disinclined to empower (gain business expertise) them (HDIs). Enhanced trust will facilitate cooperation if trust is seen as an aspect of the social climate. Cooperation may facilitate knowledge sharing and learning.

At a practical level, practitioners may also consider the significance of the characteristics of the trustor or focal organisation in alliances between TCs and HDIs. Practically, this would involve paying attention to the focal organisation's propensity to trust when assisting these alliances to generate or inculcate trust. The focal organisation's high inclination to trust could indicate the conceivable duration and speed of developing trust within an alliance.

Also at a practical level, I-O psychologists are superlatively placed to help in developing policies and practices that can facilitate the development of trust in alliances between TCs and HDIs. The more specific aspects could include promoting cooperation and ethical behaviour in these institutions.

It can be stated that this study is ground-breaking because there is no preceding study on organisational trust in alliances between TCs and HDIs that has sought to develop a model that could facilitate trust in these institutions. In a sense, the study may be vital for understanding trust, facilitating authentic economic empowerment in these alliances as well as alliance effectiveness.

7.6 CHAPTER SUMMARY

This chapter elucidated the conclusions that flowed from the findings and the limitations of the study. The recommendations for practice and further research were also explicated and the conclusions and recommendations were related to both the theoretical and the empirical study of this research. It can therefore be concluded that the fifth empirical aim of the research, namely, to formulate conclusions and recommendations for I-O Psychology practice and future research, has been achieved. Herewith the research is concluded.

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APPENDIX A: Phenomenological Interview Guide

Thank you for accepting my invitation to participate in the interview.

Opening Statement

The context of this research is the economic empowerment of the previously disadvantaged segments of the South African society such as black people, women and people with disabilities. In this context, business alliances are viewed as a vehicle for the economic empowerment of previously disadvantaged people through their business organisations or historically disadvantaged institutions (HDIs). In the context of this study, business alliances refer to independently established inter-organisational linkages between a black-owned organisation(s) or historically disadvantaged institution (HDI) and a white-owned organisation(s) or traditional company (TC) and include the sharing of resources to render a service or for manufacturing or for the co-development of products, such as in joint ventures and other partnerships and alliances. The focus of the study is on the issue of trust in alliances formed between HDIs and TCs. The primary purpose of this interview is to solicit your views or opinions on the topic. It is hoped that your participation will facilitate a better understanding of trust in these institutions.

The Central Question

How do you view the issue or question of trust in business alliances consisting of traditional companies (TCs), which are formerly white-owned companies, and historically disadvantaged institutions (HDIs), which are traditionally black-owned businesses in South Africa?

APPENDIX B: Q sort Instructions

About the cards:

The 48 cards are opinion statements about trust between traditional companies (TCs), which are formerly white-owned companies, and historically disadvantaged institutions (HDIs), which are black-owned companies. These statements ask about your opinions on trust between you and the TC or the HDI company that you have or had an alliance with. When you read “partner company” or “partner organisation” please think of a TC or an HDI company that you have or had an alliance with.

Instructions on how to sort the cards:

Please rank the following 48 statements according to how strongly you agree or disagree with each of them.

Please ensure that you do not leave any spaces on the grid or the distribution markers blank.

1. Please read all the cards (statements) first so as to familiarise yourself with the range of opinions on trust in business alliances between TCs and HDIs.
2. As you read the cards you may simultaneously arrange them into three piles – namely, place those that you agree with on the right; those that you disagree with to the left and in the middle those that you are uncertain or neutral about.
3. Studying the items to the right, select 2 items that “strongly agree” with your opinion and place them under the +5 marker. The order of placing those under +5 is immaterial.
4. Next study items on the left side and select 2 items that “strongly disagree” with your opinion and place them under the -5 marker. The order of placing those under -5 is still of no consequence.
5. Please return to the right and place the next 3 items that more “strongly agree” with your opinions than the rest, but less strongly than the 2 placed under +5, and place them under the +4 marker. Then do the same for the left-hand side.
6. Please repeat the process until all the + and – positions are filled and only items for the middle 0 marker remain. The remaining 8 items should be placed under the middle marker, 0.
7. Please note that you are free to change your mind about the significance of any item. For instance, if you feel that the item under +3 marker agreed more than the one under +4, you are free to swop the two.

APPENDIX C: Information sheet

**UNISA
PO BOX 392
PRETORIA
0003
23 FEBRUARY 2015**

Dear Madam

INFORMATION SHEET: REQUEST FOR THE INTERVIEW

My name is KP Moalusi and I am a senior lecturer at the University of South Africa. I am also a doctoral student in the Department of Industrial & Organisational Psychology at the same institution. The purpose of this letter is to solicit your participation in the study. This letter also contains important information regarding the research to be conducted.

The context of the present research is the economic empowerment of the previously disadvantaged segments of South African society. In this context, business alliances may be viewed as a vehicle for the economic empowerment of the historically disadvantaged institutions (HDIs). The primary purpose of the present study is to investigate the experiences of individuals involved in alliances between traditional companies (TCs) and HDIs on the phenomenon of trust with a view to developing a model that would facilitate a better understanding of trust in these institutions. Trust is explained as the trustor's belief that the trustee to the exchange relationship will not take advantage of his or her vulnerabilities.

This study is purely for the purpose of completing my doctoral studies. Both the interview recording (only if you agree to a recording) and the transcript will be assigned a code or number and your name and identity will not be revealed. The conducted interviews will be used to develop a questionnaire-like Q set or sample which will be administered to participants later. Anonymity will be ensured such that no information in the reporting of the research results can be traced back to you. The information provided will be kept confidential. All the research information contained in my thesis and subsequent academic journal articles will not in any way reveal your identity.

Finally, your participation in this study is purely voluntarily. This means that you have the right to decline participation or to withdraw your participation at any time even though you have signed the consent form.

Please do not hesitate to contact me if you have any questions. My contact details are: moalukp@unisa.ac.za or 012 429 8064 or 076 771 7752.

Thanking you in advance and looking forward to your favourable response.

Sincerely yours

KP Moalusi

APPENDIX D: Consent letter

**UNISA
PO BOX 392
PRETORIA
0003
23 FEBRUARY 2015**

Dear Madam

Consent letter

Thank you for accepting my invitation to participate in this study. As already explained the purpose of the study is to solicit your opinions on the issue of trust in business alliances between traditional companies (TCs) and historically disadvantaged institutions (HDIs). The study is conducted as part of the requirements for my doctoral studies.

You were purposively selected to participate in this study because of the useful information that you can provide to help in addressing the central task of explaining trust in alliances between HDIs and TCs. Your participation should be freely given and based on informed consent.

You are requested to participate in the interview. These should take approximately 30 minutes of your time. Your privacy will be respected, including anonymity and confidentiality. All personal information that can be traced back to you or reveal your identity will not be included in my results and reporting. In this way I will ensure your anonymity and the information you give me during our interview will be kept confidential. All the research information contained in my thesis and possible academic journal articles will not in any way identify you.

Please let me know if you have questions regarding this study and your participation in this study. Please feel free to contact me at moalukp@unisa.ac.za or at 012 429 8064.

Attached herewith is a consent form for you to sign if you fully understand the implications of this research study and are willing to participate.

Sincerely yours

KP Moalusi

CONSENT FORM

I, _____ (full names of participant) hereby give my consent and willingness to participate in this study. There has been no coercion and I am voluntarily participating. I have been told about the nature, procedure and anticipated inconvenience of participation.

I have read and understood the purpose of the study and my role in it as explained in the information sheet.

I also understand that my participation is voluntary and that I am free to withdraw at any stage or time of the study without penalty.

I am also aware that the anonymity and confidentiality will be assured in the thesis or research report, conference proceedings and journal publications.

Participant's name and surname: _____ please print

Participant's signature: _____ Date: _____

Researcher's name and surname: _____

Researcher's signature: _____ Date: _____

Witness's signature: _____ Date: _____

Not shown: 2.2